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Lone Parents on Family Credit: Employment Decisions and Perceptions

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PhD

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ABSTRACT OF THESIS

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This study is based on the analysis of data obtained from semi-structured, in-depth interviews with a sample of 40 lone parents who were in receipt of Family Credit in Edinburgh in 1992. Follow up interviews were also carried out with 28 of the original lone parents in 1993.

The study was designed to investigate three main areas. The first of these areas was employment decision making. Very little was known about the reasons why lone parents worked or about how they made their employment decisions. This study sought to investigate what employment decisions the lone parents had made, what factors they took into account when making their decisions, and to what extent their decisions were based upon financial calculation. It found that reliance on financial calculation was limited and that employment decisions were usually made after considering a wide range of factors including social and cultural as well as financial ones.

The transition to Family Credit was the second area the study sought to investigate. Previous research had found that people often experienced difficulties when they first claimed Family Credit. This study aimed to add to our knowledge of the transition period by exploring what difficulties the lone parents' encountered on moving onto Family Credit, and how they were able to cope with the difficulties of the transition period. It found that most of the sample experienced financial difficulties when they first moved onto Family Credit, and that borrowing and debt were common at this time. Only a minority of the sample experienced long term debt as a result of the transition period, however.

Perceptions of employment and Family Credit was the third area the study aimed to investigate. There was a lack of in-depth knowledge regarding lone parents' experiences and perceptions of employment. This study sought, therefore, to investigate the lone parents' perceptions of their financial position, to find out whether they viewed employment with Family Credit as a means towards securing eventual financial independence, and to examine what they considered to be the main costs and benefits of employment. It found that debt was the most important factor in accounting for the lone parents' perceptions of their financial position and that reliance on income related benefits was normally viewed as long term rather than temporary. It also found that the benefits of work were felt to be considerable and normally far outweighed any costs which were identified, and that childcare difficulties were common when children were ill but did not present a problem on a regular basis.

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Lastly I would like to thank the forty lone parents I interviewed for the study. Thank you for the precious time you gave up in taking part in this study.

I hereby certify that this thesis has been written by me and is my own work.

Sharon Vincent

5.4.98

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Chapter 1 Introduction

This research is based on the data collected from interviews with 40 lone parents who were living in Edinburgh in 1993 and 28 follow up interviews which were carried out approximately a year later. The lone parents were all in employment of 16 hours or more and also in receipt of Family Credit at the time of the first interviews. The study was concerned to investigate and analyse the employment decisions and perceptions of these lone parents in order to inform the wider debate about lone parents, employment and Family Credit.

There were a variety of reasons why I wished to carry out research with lone parents who were in employment and claiming Family Credit. Perhaps most importantly, I was particularly interested in this area. My interest stemmed not only from having become interested in the whole area of social security as a result of having taken a degree in social policy, but also out of my own personal experiences. Having spent several years as a lone parent myself, including a total of more than eighteen months when I was claiming Income Support, I was particularly interested in the benefit experiences of lone parents. Although I had never claimed Family Credit, I was only too well aware of how difficult it could be to move off Income Support in terms of the lack of financial incentives, difficulties in finding affordable childcare etc. Rather than being surprised at the increasing numbers of lone parents in receipt of Income Support, I was more surprised that so many lone parents were prepared to work in what were often low paid jobs for very little financial reward. I wanted then to carry out research with lone parents who were in employment to learn more about the kinds of decisions they made about employment and how they were able to manage their lives in order to cope with the somewhat conflicting roles of childcare and work.

My wish to restrict my sample to lone parents who were in receipt of Family Credit was due to the fact that such lone parents are located between a position of full financial dependence on the state and complete independence from income related benefits. When I embarked on the study

there had already been quite a lot of research with lone parents who were in receipt of Income Support but far less with lone parents who were working 16 hours or more. Although there has also been very little research with lone parents who were not in receipt of any income related benefits, I wished to study those who were in receipt of in work benefits because I felt their employment experiences and perceptions would in many ways be affected not only by their position as parents and workers but also by their status as claimants.

Aside from my own personal reasons for wanting to pursue research in this area I also felt the research would be important for other reasons. At the time I began the research, the issue of support for lone parents had become a topical area and has continued to remain at the forefront of the political agenda throughout the duration of the research. Attempts to cut the increasingly high cost of social security expenditure on lone parents have been made in recent years. The most important piece of legislation was the Child Support Act which was primarily concerned with setting up the Child Support Agency to recoup maintenance payments from absent parents. The Child Support Act was also important in terms of this study, however, in that it led to changes in Family Credit. Although lone parents retained the right to claim Income Support without having to be available for work, the Government sought to make it easier for those lone parents who wished to work to do so because they were concerned about the high cost of Income Support payments to lone parents,. The Child Support Act contained various measures with this aim in mind. Most notably the number of hours a person had to work in order to be eligible for Family Credit was reduced from 24 to 16. Although this change also applied to couples, the legislation was designed specifically to help lone parents who were unable to work 24 hours or more a week due to childcare commitments. As well as the change in hours, Family Credit was also amended so that the first £15 in maintenance received by a recipient was disregarded in calculating entitlement. Previously all maintenance was taken into account in assessing Family Credit.

The Government opted, therefore, to use Family Credit as the main way of providing assistance to lone parents who wished to work. This has been made further evident by the introduction of the Childcare Allowance

within Family Credit which allowed up to £28 of childcare costs to be disregarded in calculating Family Credit entitlement (and has since been increased).

Because Family Credit has become the main way in which the Government has chosen to assist lone parents in gaining employment and moving off Income Support, I felt that carrying out research with lone parents who were in receipt of this benefit would be of interest. At the time I began the research there had been no research into Family Credit which looked specifically at lone parents. My wish, therefore, was to carry out qualitative research with lone parents on Family Credit in order to gain insight into those aspects of their lives which were connected with employment and benefit receipt.

There were a number of areas which I felt needed to be explored. The issue of decision making about employment was one such area. Why do lone parents decide to work, and what factors do they take into consideration when making their decisions? The actual transition to Family Credit was another area. What difficulties do lone parents face on moving onto Family Credit and how do they deal with such difficulties? I was also interested in the long term employment plans of the lone parents. Do they view Family Credit receipt as temporary or long term, do they expect to make changes to their employment in the short or long term? How do lone parents on Family Credit perceive their financial position and does this perception have any impact on their employment decisions? I also wished to investigate the lone parents' opinions about the whole area of lone parents and employment. What are their opinions of Family Credit? Do they feel lone parents are encouraged to work? How difficult is it for lone parents to work in terms of childcare, financial difficulties etc? Lastly I wanted to find out what the lone parents actually felt about working. What did they feel were the costs and benefits of working? How committed were they to work? These issues are all explored in this study.

The study begins in Chapter 2, by examining various theories relating to the area of lone parents and employment and provides a discussion of the way in which policy has developed in relation to lone parents. Lastly it considers previous research which has been carried out in this area.

Chapter 3 provides an account of the research design and methodology adopted in the study and discusses such issues as the way in which access to the sample was negotiated, the process by which the interview schedule was produced, and the way in which the data was analysed. It also outlines the aims of the research and discusses the research questions which the study endeavoured to answer.

Chapter 4 offers an introduction to the sample by considering its main characteristics. It also considers the various routes by which the sample members came to be in receipt of Family Credit and describes the ways in which the employment and benefit characteristics of the sample had changed by the time they were reinterviewed.

Chapter 5 investigates the decision making processes which led to the sample being in employment of 16 hours or more and in receipt of Family Credit. In particular it considers what employment decisions they had made, what factors they had taken into account when making their decisions, and to what extent their employment decisions were based upon financial calculation.

Chapter 6 continues the theme of decision making introduced in chapter 5. It examines what employment decisions the sample had made since being in receipt of Family Credit, and discusses the factors which influenced whether or not they had made any employment plans for the future.

Chapter 7 considers the lone parents' experiences of the transition to Family Credit. It examines what difficulties they encountered when moving onto Family Credit and discusses the means by which they were able to cope with the difficulties they met.

Chapter 8 assesses the lone parents' perceptions of their financial position on Family Credit and considers the extent to which they viewed Family Credit as a move towards securing eventual financial independence.

Chapter 9 looks at what the sample perceived to be the main costs and benefits of working and considers the level of commitment to work amongst the lone parents who were interviewed.

Chapter 10 presents an analysis of the sample's perceptions of employment and Family Credit as it affects lone parents. In particular it discusses their opinions of recent policy changes which have affected lone parents.

Lastly, chapter 11 considers the main conclusions which can be drawn from this study of lone parents, employment and Family Credit and relates these conclusions to current policy changes and debates. It also suggests what further research might be carried out in this area in the future.

Chapter 2 Lone Parents, Employment and Family Credit

This chapter has several aims. Firstly it seeks to account for the current situation of lone parents within policy and theory by providing an account of the treatment of lone parents in historical context. Secondly it attempts to account for the employment behaviour of lone parents by looking at the issue of women's employment and by examining the employment of lone parents in a comparative context. Lastly the chapter discusses previous research which has been carried out in the area of lone parents, employment and Family Credit.

Family and employment theories have faced enormous problems in attempting to incorporate the changing dynamics of modern life. Family life today is not confined to the traditional male breadwinner/female housemaker model which influenced many traditional theories and tended to divide the private and public spheres of social life by locating the family in the private sphere and employment in the public. Two changes have been particularly important in warranting a reconceptualisation of existing theory.

- 1) The 'nuclear' family is by no means the only family form in Britain today, if indeed it ever was. Theory now has to account for a multiplicity of different family forms including 'reconstituted families', 'cohabiting families' and most importantly in terms of this study 'one parent families'.
- 2) The fact that women have increasingly become active in the labour market has meant that the old dichotomy between private and public spheres of life with women found predominantly in the former (ie the family) and men in the latter (ie the economic sphere) no longer generally applies.

Both these changes are crucial in seeking to locate lone parents within any kind of theoretical framework and to understand their position in relation to social policy provision.

Lone Parent Families - Theory and Policy

The increase in lone parent families

The last two decades have witnessed a marked increase in the number of lone parent families in Britain. The proportion of families headed by a lone parent increased from 8% in 1971 to 21% in 1992 (GHS, 1992). This was due to an increase in families headed by a single, divorced, or separated mother. The proportion of families headed by a lone parent father has remained relatively constant over this period and the number headed by a widow has fallen. The increase in the number of lone parent families was most marked among households headed by a single mother. The number of single mother families has increased from 1% of all families with dependent children to 7% in 1992, but only 37% of all lone mothers are single (GHS, 1992).

The number of widows in the population has declined markedly over the previous decades as a result of increasing life expectancy. The number of divorced and separated lone parents has increased due to the tendency of many more marriages to break up than was once the case. This is held to be the result of changes in the divorce law which have made it easier to obtain a divorce. Social security extension and women's employment outside the home are also suggested causes of the increase of divorce and separation in that women are no longer economically tied to their husbands. In other words the increase in divorce and separation can be explained by opportunity arguments. Whereas in the past women were more likely to have remained in an unhappy marriage, changes in divorce law and the social security system have now made it easier for them to consider alternatives (Robertson Elliot, 1986).

Although the number of single (i.e never married) lone parents has increased considerably since the 1970s, many single lone parents have lived in a cohabiting relationship before becoming lone parents. As such the increasing numbers of such lone parents can be explained in much the same way as for separated lone parents. It has been suggested, however,

that the increase in the numbers of single lone parents who have never lived with the father of their child(ren), is attributable to the increase in social security provision for this group and the fact that there is now less stigma attached to being an unmarried mother, so that far fewer single women now give up their child for adoption.

The number of lone parent fathers has remained relatively stable for two reasons. Decreasing mortality rates have meant that less fathers have become lone fathers through the death of a spouse. This has meant that the number of widowed lone fathers has decreased as a proportion of all lone fathers. Although a higher proportion of lone fathers are now divorced, separated or single, this number has remained fairly stable due to the fact that women are normally awarded custody of children.

The impact of the increase in lone parent families

This increase in the number of lone parent families has had two important impacts which are interconnected.

- 1) Lone parent families are disproportionately represented amongst low income families
- 2) A high proportion of lone parent families are now in receipt of means tested benefits.

Although the opportunity factors mentioned above may have contributed to the growth in the number of lone parent families there may well be financial costs in becoming the head of a lone parent family. Indeed evidence has shown that in all countries lone parent families frequently have low incomes in comparison with two parent families, and are more likely than other families to experience poverty (Sorrentino, 1990; Wong et al, 1993). The rate of poverty of lone parent households varies considerably between countries but the problem in Britain is fairly acute. Oppenheim (1993), using Household Below Average Income figures, found that lone parent families had a higher risk of being in poverty than any other type of family, with one in two such families being in poverty. Sixty four per cent of children in lone parent families were living in poverty (defined as

incomes below half the national average), accounting for some 29% of the total number of children living in poverty.

It is becoming increasingly necessary for a family to have two or at least one and a half incomes in order to stay out of poverty and as such lone parent families who have only one income to rely on are particularly exposed to the risk of poverty. It is also the nature of lone parents' incomes which have led to their being overrepresented in poverty figures, the fact that social security benefits are likely to make up a significant part of their income.

Social security is the main source of income for most lone parents and accounts for two thirds of their total incomes. Bradshaw and Millar found that 70% of the lone parents in their survey were receiving Income Support, but that 85% had done so at some time. The financial dependence of lone parents on Income Support has been increasing more rapidly than the increase in their numbers would predict. In 1971 37% of lone parents were in receipt of Supplementary Benefit, in 1989 67% received its successor Income Support (Bradshaw and Millar, 1991; Roll, 1992).

Receipt of Income Support varies according to lone parent type. Nine out of ten single mothers receive Income Support, compared to six out of ten divorced or separated lone mothers and only three out of ten lone fathers. While the proportion of divorced and separated lone mothers receiving Income Support has grown only slowly, there has been a substantial increase in the numbers of single mothers and lone fathers claiming this benefit (Burghes, 1993).

The numbers of lone parents in paid employment

Table 2.1 The percentage of lone mothers and married women with dependent children in paid employment in Great Britain

	1977-79	1990-92
Lone Mothers		
Full-time	22 %	17 %
Part-time	24	24
All working	47	42
Married Women		
Full-time	15	21
Part-time	37	41
All working	52	63

(Source: GHS 1992, OPCS, Table 7.10)

Whilst the number of lone parents in receipt of Income Support has increased, the table shows that the number of lone parents in employment has actually decreased. In 1977-79 47% of all lone mothers were in employment, either full or part-time. In 1990-92 this figure had dropped to 42%. The decrease in the number of lone parents in employment is most surprising when compared to the number of married women in the labour market which has increased over the same period. In 1977-79 52% of all married women were in employment, either full or part-time. In 1990-92 the figure had increased to 63%.

Table 2.2 The percentage of lone and married mothers with a dependent child under five in paid employment in Great Britain

	1977-79	1990-92
Married women with dependent child under 5 years		
Working full-time	5 %	14 %
Working part-time	22	33
All working	27	47
Lone mothers with dependent child under 5 years		
Working full-time	13	8
Working part-time	13	14
All working	26	22

(Source: GHS 1992, OPCS, Table 7.10)

The difference in employment rates of lone and married mothers is particularly striking for women with children under five as Table 2.2 illustrates. In 1990-92 47% of married women with a dependent child under five were working compared to 27% in 1977-9. Fourteen per cent of married women with a child under five worked full-time and 33% part-time. In comparison, only 22% of lone mothers with a child under five were in employment at all in 1990-92 compared with 26% in 1977-79. Eight per cent of lone mothers with a child under five worked full-time and 14% part-time (GHS, 1992).

The GHS did not look at the employment rates of lone fathers, but Bradshaw and Millar (1991) found that the lone fathers in their survey were more likely to be economically active than were lone mothers. Forty six per cent of lone mothers in their study were economically active compared to 69% of lone fathers. They also found that lone fathers were more likely to be working full-time (46% compared to 23%) and less likely to be employed part-time (6% compared with 17%).

The political responses to these phenomena

The increase in the number of lone parent families in Britain, coupled with their increasing reliance on means tested benefits and decreasing rates of employment has met with different responses. On the whole lone parent families have tended to be identified as a social problem. Social policy has taken for granted the existence of a 'normal' family consisting of a male breadwinner and female housewife and the social security system which has been based on this ideal of the self sufficient breadwinning family has, therefore, faced problems in having to take account of the growth in lone parent families.

'Given the idea that the normal family consists of two parents and is reliant primarily on the earnings of the man, women with children and without men are a problem category' (Lewis, 1989 p595)

As such in nearly all accounts of lone parent families the overriding emphasis has been on the difficulties and problems which such families experience or present. Although lone parents have been seen as a social problem accounts have, however, tended to diverge according to whether they see the critical factor as being the 'deviancy' of such family forms or the material deprivations they experience (Cheal, 1991; Robertson Elliot, 1986).

a) Lone parent families as a 'deviant' family form

Traditional values define sexual relationships, procreation and childcare as properly taking place within a family unit based on lifelong marriage and

stress the naturalness, importance and superiority of the family. From this ideological stance alternative ways of ordering sexual and parental relationships may be defined as pathological or deviant and hence the lone parent family may be defined as such. Traditional family values are based on the idea that two parents are essential to child development and thus because there is an absence of one parent it is argued that children in lone parent families may fare badly in terms of adverse emotional development, low educational achievement and indiscipline (Robertson Elliot, 1986; Page, 1994; Hardey and Crow, 1991).

This view of lone parent families as a 'deviant' family form has become increasingly popular in Britain in recent years. It owes much to controversial social theories which have sought to explain the growth of an underclass which supposedly threatens the family system and the work ethic (Dean and Taylor Gooby 1992). Charles Murray, for example, views lone mothers, particularly single mothers, as part of this underclass. He argues that male children in such families grow up without male authority and traditional male role models and are, therefore, likely to drift into delinquency and crime, while female children learn to repeat the cycle of promiscuity. He has suggested that the welfare state encourages lone parenthood by providing teenagers with incentives to have babies in the form of welfare payments and council housing (Murray, 1990).

The fact that married women are joining the labour market in ever increasing numbers has added weight to the suggestion that lone mothers may actually be choosing a life of benefit dependency. Peter Lilley took up this theme at the 1993 Conservative party conference. His list of 'benefit offenders' included

'Young ladies who get pregnant just to jump the housing list' (Peter Lilley, 1992).

Although the Conservative government admitted afterwards that there was very little real evidence for such claims, this view of lone parents as welfare scroungers remains popular. Neither has its popularity been restricted to the right. Underclass theories have also gained support from ethical socialists who want a return to traditional family values. They argue

that families in which the natural father is present function more effectively (Dennis and Erdos, 1993).

Underclass theories and other analyses which focus on traditional family values have been useful in providing the government with support in their argument that social security expenditure on lone parents is too high and needs to be cut. By 1988/89 social security expenditure on income related benefits for lone parent families (excluding widows) was £3.2 billion compared to £1.4 billion in 1981/82 (both at 1990/91 prices) (Children Come First, 1990). The priority for the government when considering support for lone parents has been, therefore, to reduce their dependence on benefits with a view to cutting public expenditure. Arguments which stress the malfunctioning of lone parent families and the fact that much dependence in such families is of a voluntary nature have, therefore, had important effects on policy. While family life has traditionally been seen as a private matter and outside the realm of government, this is no longer the case with lone parent families:

'What actually goes on in families is conveniently dismissed as "private" until it becomes "public" by creating a nuisance or a financial responsibility to the state' (Gittins, 1985).

Lone parent family life is, therefore, permitted to be exposed to public scrutiny because of the high financial dependence of such families on the state.

b) Lone parents as a social problem

Although the government has increasingly sought to identify lone parents as a 'deviant' family form, their approach has been challenged by those who also view lone parents as a social problem but who stress their material disadvantages rather than their deviancy. They view lone parents not as a threat to society, rather as victims of an inadequate social welfare regime. They are not part of an underclass which stands outside cultural and economic norms but are a normal part of family life in modern society. Because they have not been recognised as such, however, they are one of a growing number of groups in poverty (Edwards and Duncan, 1994; Garnham and Knights, 1994).

Those who view loneparenthood in this way do not see the major problem as being one of increasing dependency. The problem is not one of rising social security costs but of poverty. The inadequacy of the benefit system and inequities of a gendered labour market are the root causes of the poverty experienced by lone parent families, and policy should be concerned with reducing poverty rather than reducing costs.

Policy towards lone parents

Although current policy towards lone parents is concerned primarily to reduce expenditure costs and the political response towards them has been particularly hostile in recent years, this has not always been the case. It is necessary to look at the way policy towards lone parents has developed historically in order to fully understand the current position.

'Women with children and without men have historically posed a particularly difficult problem for governments' (Lewis, 1992 p169).

Perry (1993) claims that there are two important policy issues connected with lone parents

- 1) How to deal with the financial problems resulting from the absence of an employed spouse
- 2) The degree to which lone parents are expected to participate in the labour market.

Pre Beveridge

The nineteenth century poor law treated lone parents as workers. Under the poor law the goal of maintaining the family as a unit was secondary to the requirement to work and the necessity to uphold morality. While widows might be given outdoor relief, other categories of lone parents were given relief only in the workhouse. Children usually remained in the workhouse while their mothers were expected to leave and support themselves in employment. It was not until the early twentieth century

that the well being of the child and the desirability that it remain with its mother began to assume any importance in policy decisions(Brown, 1990; Lewis, 1992).

By 1918 the desirability of assisting a mother to remain at home caring for her children without being forced to work had become quite well established but by no means universally applied. Even by 1942 there was no guarantee a deserted wife would be given outdoor relief and unmarried mothers were still often given relief in the workhouse and separated from their children. Maternity homes were, however, increasingly being used to keep unmarried mothers and their children out of the workhouse (Brown, 1990).

The Beveridge Report

Beveridge was concerned primarily with the needs of the employed population during working years and employment. The National Insurance principal was based on a model of female economic dependency. It was assumed that a married woman did not and should not work:

'The attitude of the housewife to gainful employment outside the home is not and should not be the same as that of the single woman...she has other duties' (Beveridge, 1942)

Widows would be catered for primarily through National Insurance. Beveridge also considered extending National Insurance to those who were formally separated but decided the difficulties involved were too great. Lone parents were, therefore, to be accommodated for by National Assistance but were not required to register for work. Like married women lone mothers were seen primarily as mothers but in the case of lone mothers National Assistance was to replace men's earnings. Lone fathers were, however, still expected to work, full-time childcare was not thought to be suitable for them(Brown, 1990).

The belief that a woman's proper role was that of wife and mother and that it was desirable for her to remain at home and fulfil her family responsibilities gained much support in the post war period as a result of

Bowlby's work on maternal deprivation. Concern was expressed over the consequences of separation between mothers and children and some consensus was achieved over the desirability that women should care for their children full-time and not participate in the labour market (Cheal, 1991; Lewis, 1989; Dale, 1991).

It became widely accepted in the post war period, therefore, that lone mothers like married women were entitled to remain outside the labour market and would receive social security benefits without being subject to a work requirement. There had, therefore, been a change in emphasis in the treatment of lone mothers. Under the poor law they had been treated as workers, in the post war period they were treated as mothers whose main responsibilities were in caring for their children. In many ways the position of lone parent families advanced considerably in the post war period, therefore.

The Finer Report

During the 1960s lone parents were identified as part of the rediscovered poverty in Britain. The structure of benefits established for lone parents in 1948 had not changed much by 1969, except that National Assistance had been reformed and renamed Supplementary Benefit in 1966. Widows had, however, fared reasonably well since 1948. They had benefitted from dependency additions for the second and subsequent children under National insurance in 1951 and from the earnings related supplement in 1966. Dependency additions were also increased for widows in 1956 to 1958 and from 1964 they were free to earn without benefit reductions. As a result there was a widening gap between widows and other lone parent types. The Finer committee was specifically commissioned to examine the problems of lone parent families in 1969 and the report appeared in 1974 (Brown, 1990).

The Finer report continued to argue that lone parents should have a right not to work

'...a woman should not be obliged by financial pressures to go out to work when she feels it is in the best interests for her children to be at home' (Finer, 1974 p412).

It was argued that this principle should be extended to lone fathers who unlike lone mothers had been required to register for work. It was also felt, however, that work could bring important rewards to lone parents but that work was not at that time a realistic option due to the low earnings disregard within Supplementary Benefit. Family Income Supplement had been introduced in 1971 but its use to lone parents was restricted due to the requirement to work 30 hours a week in order to claim it. Finer felt that lone parents should be given the opportunity to work part-time as many married mothers were doing by this time.

Another important argument of the Finer Report was that lone parent families have extra needs. It was argued that a one parent family could not be treated as a two parent family minus one adult because the expenses of running a home were not much less in a one parent family. Lone parent families, therefore, needed benefits which were especially structured to meet their needs. The Finer Report proposed a Guaranteed Maintenance Allowance (GMA) to meet these needs. The GMA was to be in two parts. Firstly there would be a children's allowance which would be paid whatever a lone parent's earnings. Secondly an adult's allowance with a £4 disregard and, thereafter, a taper would apply so that the allowance would be extinguished once earnings reached the level of average male earnings. Childcare costs would be deducted from gross earnings before the taper was applied (Brown, 1990).

The arguments of the Finer committee and the GMA which was proposed were an important breakthrough in policy for lone parents. Rather than attempting to adjust existing policy to account for the circumstances of lone parents, the Finer report was unique in taking a broad approach to the issue of support for lone parent families (Lewis, 1995)

'Back to Beveridge is often proposed in reforms of social security but as far as lone parents are concerned, 'Back to Finer' would be far better!' (Millar, 1994).

The main proposals of the Finer report were not implemented but policy changes were made following the report. In 1975 the Child Benefit Act extended family allowances to the first child. Because this did not come into effect until 1977, in 1976 a child interim benefit was given to the first child of a lone parent. This became a permanent benefit in 1981 when it was renamed One Parent Benefit. It was focused on working parents and disregarded when calculating Family Income Supplement. It was deducted from Supplementary Benefit, however. Disregards within Supplementary Benefit were also changed. In 1975 disregards were increased to £4 for those not required to register for work and in 1976 the disregard was increased to £6 for lone parent families only (Brown, 1987).

Finer had recommended that if the GMA was not accepted then Family Income Supplement should be extended to part-time workers. It was not until 1979 that the number of hours of work required for eligibility for Family Income Supplement were reduced from 30 to 24 for lone parents. This change led to an additional 16 000 lone parents claiming the benefit between the end of 1978 and the end of 1980 (Brown, 1983).

For the first time, therefore, although policy remained neutral in relation to the employment of lone parents, they were being given incentives to work. Following the change to Family Income Supplement in 1979, disregards within Supplementary Benefit were also changed for lone parents in 1980. This was known as the tapered earnings disregard which included a £4 disregard after which earnings were reduced by 50p in the pound until they reached £20. Childcare and travel costs were also disregarded (Brown, 1987).

The 1988 social security reforms

Under the 1988 social security reforms Supplementary Benefit and Family Income Supplement were replaced with Income Support and Family Credit. The reforms had important implications for lone parents. Under Income Support lone parents were entitled to a family premium as were two parent families, but were also entitled to a lone parent premium. The lone parent

premium like other premiums for other claimants were to take account of the fact that Income Support had no long term rate as Supplementary Benefit had. Another change which was particularly important for lone parents was that the tapered earnings disregard under Supplementary Benefit was replaced with a £15 flat rate disregard and no allowance was made for childcare costs. The government stated that their motive for changing the disregard rules was to align them with Family Income Supplement/Family Credit rules which had never included a disregard for work costs. The change adversely affected lone parents on Income Support who had high work expenses and even for those with no expenses the £15 disregard did not restore the value of the 1980 disregard (Brown, 1987).

The Family Credit changes also had a significant impact on working lone parents. The major change was that Family Credit and Housing Benefit were to be assessed on net income. Family Income Supplement had been assessed on gross income. Family Credit was also extended but was to be included in Housing Benefit calculations so that less people were now entitled to Housing Benefit. Family Credit claimants were also no longer entitled to free school meals which they had been eligible for under Family Income Supplement.

The change in assessment from gross to net income was designed to alleviate the worst effects of the poverty trap whereby some Family Income Supplement recipients had faced marginal tax rates in excess of 100%. Following the change lone parents no longer faced rates of over 100% but because of the extension of Family Credit there was an increase in the numbers facing rates of 80% (Dilnot and Webb, 1989).

These changes led to an increase in the numbers of lone parents claiming Family Credit. In 1980 50 000 lone parents, 6% of all lone parents were in receipt of Family Income Supplement. In 1989 131 000, just under 9% of all lone parents were in receipt of Family Credit (Whiteford, 1991).

The Child Support Act

The Child Support Act sought to change the pattern of support of lone parent families away from the state and towards men and lone parents themselves, to substitute public transfers by private ones (Lewis, 1995; Scheiwe, 1994). Millar (1994) claims that the act had two aims:

- 1) getting absent parents to pay more child support for their children
- 2) encouraging more lone parents to take paid employment.

The act formally maintained the neutral policy towards lone parents' employment by stating that the choice to work was a personal one. It acknowledged that Income Support provided an essential income for lone parents who were not able to work but also stressed that the proposals in the act were

'...aimed at helping those lone parents who wish to work to do so, as soon as they are ready' (Children Come First, 1990 para 6.1).

It has been argued that the government could not pursue an active policy to promote lone parents' employment because this would have been seen as running counter to the values they attached to family life. While they expressly wished to reduce lone parents' dependence on Income Support, the traditional family values which they claimed to adhere to see a woman's role as being primarily one of domestic and childcare responsibilities. By going out to work a woman, therefore, fails to sustain the traditional ideal of motherhood. As such they had to rely primarily upon child support to reduce lone parents' dependence on benefits. Since lone parents could not be forced to work to support themselves, the government had to be content to manipulate financial incentives so that work would become a more attractive option (Millar and Whiteford, 1993; Smith, 1992).

The Child Support Act relied on changes to Family Credit to increase the work incentives for lone parents. There were two main changes:

- 1) The number of hours a person had to work in order to be eligible for Family Credit was reduced from 24 to 16 and those working 16 hours or more a week would lose entitlement to Income Support.

2) £15 of child maintenance would be disregarded in calculating Family Credit.

As a result of these changes it was estimated that 25 000 lone parents would lose their entitlement to Income Support and a further 30 000 who had earned too much to claim Income Support under the old rules were now expected to qualify for Family Credit. It was also expected that the changes would encourage some lone parents who were not working to go to work (Children Come First, 1990; Social Security Committee, 1991).

The current position

The 1992 Family Credit reforms appear to have had the desired effect of encouraging more lone parents to work. In 1991 Family Credit was claimed by 350 000 people. The 1992 reforms increased the numbers of claimants to about half a million, nearly half of whom were lone parents (McKay and Marsh, 1995). Inspired by its success the government made further changes to Family Credit:

- 1) the introduction of a Childcare Allowance within Family Credit
- 2) the introduction of a £10 bonus payment for those claimants working 30 hours or more.

The childcare allowance was announced in 1993 and came into effect in the autumn of 1994. It allows lone parents paying childcare costs of up to £40 to deduct this figure from their net earnings before benefits are calculated. This disregard was worth up to £28 in extra benefit for lone parents on Family Credit. The government estimated that 150 000 lone parents would gain from the childcare allowance, a third of whom would have been able to take up paid work for the first time (Hunter, 1993; Garnham and Knights, 1994). The childcare allowance was increased in the 1995 budget and lone parents can now deduct up to £60 of their childcare costs. This budget also announced the freezing of the lone parent premium within Income Support and of One Parent Benefit after the April 1996 uprating. This was designed to reduce what the government viewed as being the unfairly favourable treatment of lone parent families in comparison with two parent families. The freezing of the One Parent Benefit appears, however,

to conflict with their desire to increase the earnings of lone parents who work in comparison with those on Income Support because it is deducted from Income Support and only benefits those lone parents who are in employment.

Otherwise, however, the policy changes outlined above would seem to suggest a change in the way lone parents are being viewed within policy. The desire to reduce the extent of their dependence upon benefits has meant they are once again being considered as potential workers in contrast with the post war period when they were seen primarily as mothers. Because the government continues to maintain that the decision to work is a personal choice and not a public concern, however, they continue to maintain that if mothers want to work they should make their own arrangements for doing so. Childcare is perceived, therefore, as a private matter and the government has continued to resist pressures to provide public childcare facilities in order to encourage lone parents to work. Their involvement in such matters is limited to creating financial incentives to work (Millar, 1994; Borchorst, 1990).

While writing this thesis the Conservative government was replaced with a Labour Government who are committed to providing still further assistance to lone parents who wish to work. Their policies are considered in the conclusion of this study.

Lone Parents and Employment

Women now spend an increasing part of their lives in paid employment. Their reinvolvement in productive capacity outside the home has been explained by several factors - they now have less children, the post war period was characterised by a labour shortage due particularly to the expansion of the service sector and the growth of the welfare state which women were required to fill, and two or one and a half incomes have increasingly been necessary to keep families above poverty levels. Despite the fact that women are increasingly becoming an important part of the work force, however, the housewife/mother role continues to be defined as

women's primary role and women with children are still expected to assume only those occupational commitments which are compatible with their family commitments. As such, women are often obliged to work part-time in order to fit their paid work around their childcare responsibilities which has meant they have predominantly been relegated to a position within the labour market which is often low paid and low in status (Robertson Elliot, 1986; Cheal, 1991).

Economic analyses of employment behaviour

Because women's family commitments are so closely bound up with their labour supply decisions, it is difficult to model women's employment behaviour. Economic theories of labour supply have tended to concentrate on male employment and their attempts to incorporate women into traditional neoclassical analysis have been problematic. Traditional economic analysis is based on the argument that individuals have a hypothetical allocation of time between work and leisure, with leisure defined as being all uses of time other than that spent in paid employment. A key assumption in economic analyses of employment has been that incentives to work can be expressed in purely financial terms and can be measured by comparing levels of income in and out of work. This has been criticised as being a male choice of label since women's 'leisure' time is time spent caring for children and is difficult to model (Dex 1985; Bowen et al, 1990).

Marginal tax rates are seen as particularly important. It is argued that the structure of the social security system affects labour supply decisions because it imposes high marginal tax rates on a return to work. If social security payments are higher than the wage to be got from working then a rational individual will be expected not to work since it is irrational to work an extra hour if you will not gain financially from doing so (Dex 1985; Wong et al, 1993)

Lone parents are thought to be particularly susceptible to high marginal tax rates. The rational choice model would predict that lone parents with poor earnings potential are likely to rely on welfare rather than

participate in the labour market. The fact that lone fathers are more likely to be in full employment than lone mothers can be explained, therefore, by their higher earning capacity. (Wong et al 1993, Bowen et al 1990)

The importance of incentives and marginal tax rates in accounting for employment behaviour has been largely accepted by the government. Many of the reforms made to social security in 1988 were due to the government's belief that the benefit system constituted a major disincentive to work. Similarly the reforms to Family Credit in 1992 were aimed at increasing financial incentives for lone parents to move into employment (Atkinson and Micklewright, 1989).

This concentration on financial incentives in both economic analysis and policy has been widely criticised. It is debatable whether such analyses are even appropriate when considering men's employment since it has been argued that men's employment decisions are not as individualistic as once thought. They are still less likely to account for women's decisions. It is argued that women do not follow the relatively simple path of making employment decisions with the view of increasing their income levels. Many women may in fact forgo economic gain in order to meet what they see as their responsibilities to their families. In making employment decisions women face many conflicting demands which are caused by the complexity which their caring role adds to the ways they allocate their time. Because lone parents have even more demands on their time than women with partners because they are solely responsible for childcare, traditional economic analyses are even less likely to be able to account for their employment behaviour (Maclean, 1991).

'The calculations of the benefits of working are complex and not simply economic. Even if considerations were confined to the issue of maximising household income, levels of knowledge about the range and interrelationship of means tested benefits available make it unlikely that purely economic decisions can be made' (Hardy and Glover, 1991, p103).

It has been argued, therefore, that although lone parents undeniably face high marginal tax rates, this may in fact have little effect upon their labour market behaviour. It is claimed that the workings of the benefit

system are so complex that it is unlikely lone parents are able to make a 'rational' economic choice about whether to work full-time or part-time or to rely in part or in full upon state benefits. The fact that lone parents cannot be sure they will receive benefits or know how long they will have to wait for them if they do decide to work means income risk can be high. Because lone parents face significant problems in finding well paid work, many can only consider working if they claim Family Credit to top up low wages but lack of knowledge about the workings of the social security system can make Family Credit a high risk option (Beechey and Perkins, 1987; McLaughlin, 1991; Jenkins and Millar, 1989; Millar et al, 1989).

Furthermore it is claimed that lone parents have a limited capacity to respond to economic incentives to work because of their childcare responsibilities. So even if social security reforms are successful in reducing marginal tax rates, it is unlikely this will have much effect upon their labour market participation. The fact that lone parents are solely responsible for childcare can constitute a significant barrier to lone parents' participation in the labour market. As a result they are only likely to be able to respond to increased financial incentives to work if they are able to secure earnings well above the average for female workers or if they know someone who can look after their child for free. Family Credit will, therefore, have little or no effect upon the labour market behaviour of lone parents who have childcare costs to pay. This may explain the government's decision to introduce a childcare allowance for lone parents within Family Credit. Lastly, the higher employment rates of lone fathers cannot be explained solely in terms of their higher earning capacity. The fact that lone fathers are more likely than lone mothers to be already in full-time employment when they become lone parents, and the fact that they are less likely to have young children are also important. Also, although lone fathers are now treated the same as lone mothers in that they are not required to register for work, it can be argued that there is still a strong social expectation that they will work (Bradshaw and Huby, 1989; Moffit and Ranganajan, 1989; Whiteford, 1990; Parker, 1990; Marsh and McKay, 1992).

Sociological theories of employment

It would seem that women's employment behaviour and especially the behaviour of lone parents cannot be explained purely in terms of economic factors and that social factors are equally as, if not more, important. Marxist theories of employment have also been criticised for attempting to explain women's employment in narrow economic terms, although they seek to explain labour market behaviour in structural terms as opposed to economic theories which view behaviour in individual terms. Marxist approaches to women's employment concentrate on the reserve army and deskilling theses. It is claimed that women constitute a reserve army of labour and will be called upon to participate in the labour market at times of peak economic activity when the number of wage labourers are insufficient to meet the demand for workers. The post war labour shortage would, therefore, explain why women's participation rates have increased so rapidly. The deskilling thesis claims that unskilled workers are increasingly being employed in place of skilled workers. Both theses go some way towards explaining why women have tended to predominate in low paid and low status jobs and have received some support from dual and segmented labour market theories. Such theories claim that the labour market is divided into a primary sector and a secondary sector. Women are to be found predominantly in the secondary sector which is characterised by low pay, unskilled and insecure, often part-time jobs and lack of promotion. Because of their family commitments women are often to be found in this sector of the labour market (Beechey and Perkins, 1987; Dex, 1985).

Although women are found in a limited range of occupational groupings, are particularly overrepresented in the service industries, and often work part-time, it is likely that economic explanations only explain part of this occurrence. As such industrial sociology has increasingly sought to explain their position in social rather than economic terms. The extent to which women are able to participate in the labour market is undoubtedly constrained by their position as housewives and mothers. Beechey and Perkins (1987) discuss this in terms of 'women's two role perspective'. It is assumed that a woman's primary role is that of wife and mother and her

second role, that of paid employment, is assumed to conflict with the first. Women's two role perspective has meant that women's attitudes to work and their employment experiences have been analysed almost entirely in terms of their role within the family. While a 'job model' has been used to explain men's orientations and attitudes to work, women's orientations have been explained with reference to a 'gender model'. This use of sex segregated models coincides with the view of men as breadwinners and women as mothers and housewives (Dex, 1985).

Such analyses are undoubtedly an improvement upon those which seek to explain women's employment in narrow economic terms. They allow us, for example, to account for women's tendency to work part-time. Rather than choosing to work part-time in the light of their domestic responsibilities, it seems more likely that women are in fact pushed into part-time work because of the lack of full-time opportunities, inadequate childcare facilities and cultural assumptions about the role of women in society (Dale, 1991; Lewis, 1989).

Lone parents face the same constraints as women with partners when attempting to combine employment with domestic responsibilities but may also face additional constraints. In particular childcare may be more of a problem because they lack access to the most widely used form of childcare, a spouse or partner. Not only is this form of childcare normally not available to lone parents, their incomes are also likely to be such that they are less likely than other women to be able to pay for childcare (Cohen, 1992; Cohen and Fraser, 1991; Dex, 1988).

Such sociological theories of employment which have sought to explain women's employment behaviour in social terms have, however, also been criticised. Because they focus on the constraints under which women live and work they tend to present a negative depiction of women. They appear as passive victims of a series of interrelated institutions, the family, state and labour market. Because of their family commitments women are seen to be less committed to work than are men (Beechey and Perkins, 1987).

Dex (1988) disagrees with this assumption. She claims women's orientations to work actually have much in common with those of men, that many

women are in fact very committed to their jobs and derive many benefits from working. Also, if women are constrained in making their employment decisions it appears that some women are less constrained than others. Married women have, for example, had traditionally high rates of full-time employment within certain industries, most notably in the Lancashire cotton industry. Black women, most notably West Indian women, also have high rates of full-time employment and are significantly less likely than white women to work part-time. This is particularly important considering they also have higher rates of single parenthood. The fact that women's employment rates are differentiated according to area and race would seem to imply that cultural as well as social factors play a part (Dale, 1991; Bruegal, 1989; Edwards and Duncan, 1994).

It would seem, therefore, that no single theory can account for the employment behaviour of lone parents or women with partners. Rather it would appear that their employment patterns and behaviour are the result of a complex interaction between economic, social and cultural factors. In seeking to explain lone parents' employment, Millar et al. (1992) identify five important factors:

- 1) Lone parents' attitudes to employment
- 2) The availability of work
- 3) Job segregation and low pay
- 4) Childcare provision
- 5) The tax/benefit system.

Lone parents' employment can only be explained, therefore, through a consideration of all these factors although different individuals may place greater emphasis on some factors rather than others.

Comparative analyses of lone parents' employment

There has been a great deal of literature in the last few years which has sought to explain lone parents' employment through comparative analysis. Although women have been joining the labour market in this country in ever increasing numbers, Britain still has below average participation rates for married women as well as lone parents. Cross national

comparisons are useful in highlighting two particular features of women's employment:

- 1) Britain has very high rates of part-time employment for women compared to most other countries

- 2) Britain has a strikingly high proportion of non working mothers with a child under school age (Beechey and Perkins, 1987; Lewis, 1992).

Comparative analyses suggest that government policies vary towards children, the family and lone parent households and so too do social norms concerning the desirability of women's work. It has already been argued that British social policies have been based upon the assumption of the male breadwinner and dependent wife, and this is thought to be relevant in explaining the particular patterns of women's employment within this country (Maclean, 1991).

Lewis (1992) seeks to explain the variability in women's employment rates across countries by a three fold model:

- 1) 'Strong' male breadwinner countries eg Britain

- 2) 'Modified' male breadwinner countries eg France

- 3) 'Weak' male breadwinner/dual breadwinner countries eg Sweden.

In strong breadwinner countries paid employment is deemed a secondary activity for women and a firm dividing line is drawn between public and private responsibilities. Childcare is not seen as a public responsibility and is to be carried out by families.

'British childcare policies are still determined by the reluctance of the state to intervene in family matters; childcare is perceived as a private matter, and due to the strong ideology of the homemaker-breadwinner family model, the task of women' (Borchorst, 1990, p174).

The absence of public childcare facilities is essential in explaining the predominance of part-time work, the low level of participation for women with a pre school child and the lower levels of participation in general for lone parents and married women in comparison with other countries.

As an example of a modified breadwinner economy, France recognises women's claims as wives and mothers and as paid workers. Family and labour market policies have been more favourable to women working and

France has better childcare facilities and maternity leave than Britain. Most women work full-time as a consequence. More than 95% of France's three and four year olds are in public day care compared to 7% in Britain (Dex 1985; Perry, 1993).

In Sweden the social democratic governments of the 1970s actively supported women's integration into the labour market and the dual breadwinner family became the norm. In order to support this there has been a considerable shift from private to public childcare. Childcare became part of the state's responsibility. Generous parental leave policies, effective equal pay policies and generous family allowances have also been introduced (Siim, 1990; Millar, 1994).

While such comparative analyses highlight the differences in women's participation rates across countries, another factor needs to be considered in explaining lone mothers' participation rates. While lone mothers' participation rates are normally fairly closely related to married women's participation rates in most countries this is not always the case. The critical factor to consider is to what extent lone mothers have a viable choice to remain at home and care for their children. The extent to which this is possible depends on what benefit payments and maintenance are available to support lone parents who do not work. Perry (1993) found that lone parents were entitled to welfare payments without a work requirement in the UK, Netherlands, Austria, Canada and Finland. The UK, Netherlands and Austria had high rates of benefit dependency and low rates of employment amongst lone parents as might have been expected. Canada and Finland, however, had relatively low dependency rates and high employment rates. She concluded, therefore, that the availability of social assistance did not create a disincentive to work for lone parents. What she did find, however, was that the absence of social assistance was important. In the southern European countries and also Germany where there was little assistance for non working lone parents, labour market participation rates tended to be higher than those of married women. Lone parents in these countries have a high participation rate, therefore, because they are pushed into employment through a lack of alternatives.

Perhaps the most important conclusion of comparative analyses has been the finding, however, that in countries like France and the Scandinavian countries where women's employment is accepted and recognised in terms of favourable policy provision, lone parents also do well. In such countries lone parents are far more likely to be in employment and far less likely to be dependent upon social assistance. Although lone parents have lower incomes than two parent families in all countries, the strong employment policies of France and Scandinavia mean that relatively speaking lone parents are far less likely to be living in poverty than they are in the UK. As a result it has been argued that policies for lone parents should not be treated in isolation. Policies which help all families are seen to be the way forward for helping lone parents (Millar, 1989; Lewis, 1992)

Lone Parents, Employment and Family Credit - Previous Research

There have been a number of research projects in recent years which included the area of lone parents, employment and Family Credit as part of their focus, most notably those carried out by Policy Studies Institute for the Department of Social Security (Marsh and McKay, 1993; McKay and Marsh, 1994; Ford et al, 1995; Bryson and Marsh, 1996). These studies had, however, not been published when I embarked upon my own research and as such are not included in the discussion of previous research in the area which follows. They are, however, drawn upon in other chapters.

I include in this section research which looked at lone parents, whether or not its primary focus was on employment, as well as research which looked at employment decision making of low income households but did not specifically look at lone parents. The latter are included because of their influence upon my own research. This research review, therefore, covers a broad range of material. The reason for this is that at the time I embarked upon this piece of research, there was a distinct lack of research about lone parents and employment other than research which had been based upon secondary data and the only research which had examined lone parents experiences of Family Credit was that of Corden and Craig, (1991).

Research in the 1960s and 1970s

It has already been mentioned that lone parents were identified as a group experiencing poverty in the 1960s. Studies which were published around the time of the Finer Report were influential in highlighting the extent of their poverty. These included most notably Marsden's study of 116 fatherless families on National Assistance which was published in 1969. George and Wilding's study of motherless families in 1972 was useful in that it was the first study of lone father families, a group about which little information was available at that time. Hopkinson's (1976) study which explored the situation of lone mothers and their children during the first year of the child's life was useful in that it was a small scale study which identified the barriers to work for lone parents and discussed the reasons work could be important to them.

Research which looked at policy change

The Weale et al study of the introduction of the tapered earnings disregard in 1980 (1984)

The Weale study was specifically designed to investigate how lone parents responded to a policy change. It was based on interviews with 255 lone parents who were in receipt of Supplementary Benefit and working part-time. It found no evidence to suggest that the tapered earnings disregard had encouraged more lone parents to work part-time. It found in fact that few lone parents made use of the regulation allowing the DSS to take account of work expenses, particularly childcare costs, although more had travel costs. The study concluded, however, that there were a few people with high costs who benefitted from the tapered earnings disregard and would stand to lose out if it was replaced.

Corden and Craig's study of Family Credit (1991)

Their study of perceptions of Family Credit was part of a wider commitment by the DSS to monitor the 1988 social security reforms. Corden and Craig interviewed 43 Family Credit recipients, including 18 lone parents. The recipient sample was drawn from the family credit database. The study was based on qualitative research and included group interviews and in-depth interviews. It also included additional interviews with potential recipients and eligible non recipients.

In relation to the interviews with Family Credit recipients, the study sought to explore knowledge and understanding of Family Credit, perceptions of Family Credit as an in work benefit, decisions about work, the application process and use of Family Credit. In terms of my own study Corden and Craig's findings regarding lone parents are particularly important. They found that lone parents tended to be more favourable to the idea of Family Credit than couples and were more likely to be certain that they were better off in work. They often saw Family Credit as being positively associated with making progress towards financial independence as they built up their hours and regained skills and experience. They stated, however, that their study provided little evidence of people's experiences of the poverty trap and said that this was a priority for future research. As well as their findings regarding lone parents, Corden and Craig's study also provided important information about the transition to Family Credit, particularly in terms of the financial aspects of this period.

A study of women's employment

The analysis of the 1980 Women and Employment Survey (Martin and Roberts, 1984).

The 1980 Women and Employment Survey was extremely important in providing valuable information about the nature of women's employment. It was based on interviews with 5588 women, 10% of whom were lone mothers. It found that mothers of pre school children were far less likely to work than mothers of older children whether or not they were married,

cohabiting or lone parents. The study was important in that it sought to identify the different reasons why women worked and found that while financial reasons were important, so were social and psychological reasons. It also provided comparison between lone mothers and mothers with a partner and found that mothers with partners most often relied on their partner to look after their children while they were at work. It found that lone mothers were overwhelmingly working from financial necessity and that they displayed much higher levels of stress than other women. Lastly, many non working lone parents were found to express a preference for work and many said they would return to work if childcare was available.

A survey of lone parent families

Bradshaw and Millar's large scale survey of lone parent families (1991)

Bradshaw and Millar were commissioned by the DSS to undertake, for the first time ever, a major study of lone parent families. The aims of the survey were to explore the routes into lone parenthood, the factors affecting incomes, how lone parents perceive their situations, what leads lone parents to be no longer dependent on benefits, and the duration of lone parenthood. The sample was based on a representative sample of lone parents in the UK drawn from the register of families claiming One Parent Benefit together with the records of lone parents claiming Income Support. This stock sample numbered 1428 lone parents. As well as the quantitative study, Bradshaw and Millar also carried out a qualitative study based on in-depth interviews with 29 lone mothers and 15 absent fathers.

Because it was the first representative sample of lone parents in this country, it has been extremely significant in providing valuable data about lone parent families. The report includes an important section on employment. 46% of lone mothers and 69% of lone fathers were found to be economically active. Bradshaw and Millar found that there was little variation in the participation rates of lone parents according to marital status if account was taken of the age of the youngest child. Thus single mothers were less likely to be in employment because they were more

likely to have pre school age children. The survey looked specifically at employment intentions and found like the WES that many lone parents expressed a preference for work and would return to work if childcare was available. Seven per cent of the whole sample were in receipt of Family Credit and the survey provides important information about the financial circumstances of Family Credit recipients compared to those on Income Support and those who are working but not in receipt of Family Credit.

The Bradshaw and Millar study also included a multivariate analysis of the data to examine the probability that a lone mother would work full-time (24 hours a week). A higher probability of working full-time was associated with not having a child under five, not having three or more children, having higher predicted wage rates, having childcare availability, being ex married rather than single, living in owner occupied housing, and having higher Housing Benefit entitlement.

Studies of lone parents' employment

Studies based on secondary analysis of large survey data

Research includes Ermisch and Wright's analysis of GHS data from 1973 to 1982 (1989), Walker's analysis of Family Expenditure Survey (FES) data from 1974 to 1984 (1990), Ermisch's analysis of the Women and Employment Survey data (1991) and Dilnot and Duncan's analysis of FES data from 1981 to 1988 (Dilnot and Duncan, 1992).

The first three of these studies attempted to determine which variables had most effect upon the labour market participation rates of lone parents. Ermisch and Wright were concerned to explain the fall in the percentage of lone mothers in employment between the late 1970s and mid 1980s. They concluded that the fall was in large part due to the rise in the level of unemployment during this time, and not to higher welfare benefits. Walker's study claimed, however, that the social security system had strongly discouraged lone parents from working because of the increase in housing costs covered by Supplementary Benefit from 1979 to 1984. This

increased the income that lone parents needed from work to match the amount of benefit they stood to lose by working. He concluded that the level of unemployment appeared to have no direct effect, in contrast to Ermisch and Wright's results. Walker also found that the age of children had a large impact on employment participation rates and that maintenance payments tended to increase the probability that a lone mother would work.

Ermisch also found that the rise in unemployment played a large part in the fall in the percentage of lone mothers in employment. He argued that higher welfare benefits had some effect and so did maintenance payments but concluded that the best way of reducing lone parents' dependence on benefits was not to rely on social security reforms or maintenance changes but to concentrate on childcare, education and training policies.

Dilnot and Duncan found that the presence of a preschool child in a lone parent household was the single most important factor in dissuading labour market participation. Their econometric model of labour market participation based on FES data, was incorporated into a simulation model in order that they could predict the effect that the 1992 reforms to Family Credit would have on lone parents' labour supply behaviour. They predicted that between 30 000 and 40 000 lone parents would be encouraged to return to work due to the reduction in hours required to qualify for Family Credit. Their prediction was based, however, on a 100% take up rate of Family Credit and on a fully flexible labour market which they acknowledged to be unrealistic in practice.

Qualitative studies

The National Audit Office (NAO) study (1990)

Gallup were commissioned by the NAO to carry out research to provide an insight into the experiences and perceptions of lone parents to consider whether these pointed to factors which may be influencing lone parents' decisions about working. The NAO also relied on DSS research findings on lone parent families as well as on reports published by outside

organisations in producing their report. Gallup carried out a number of group discussions and in-depth interviews with 52 lone parents. The sample consisted of working and non working lone parents and the interviews and discussions produced some interesting findings. It seemed that the £15 disregard within Income Support was not necessarily encouraging lone parents to work. Also some of the lone parents were wary of taking a full-time job because they thought they would be worse off doing so. The NAO concluded that the answer to whether a lone parent would in fact be better off by working depended on their individual circumstances, on the number and age of their children, housing costs, maintenance payments and work related expenses. The costs of childcare and other work related expenses was found to be particularly important.

Frey's survey of sole parent pensioners in Australia (1986)

Frey's study of Australian lone parents was presented as a background/discussion paper to the Australian social security review. The study was designed to obtain factual information on work history and educational qualifications as well as attitudinal responses to working and perceived barriers to working. The sample consisted of 44 lone parents and about a quarter were working, the majority part-time. There was an initial group interview with nine members of a lone parent group to help determine the important issues and provide a focus for the questionnaire design which was then used in individual depth interviews.

Some of the results are particularly interesting though the study did not take place in this country. The lack of available childcare was identified as being the most important barrier to work. While the study only included small numbers of working lone parents it provided information about the costs and benefits of work. The lone parents said that the benefits of work, including the importance of work for self esteem, to have an outside interest, for social contact and to avoid the stigma of pensions, far outweighed the costs. Although the costs of work were felt to be high including financial costs, loss of involvement in school activities and the guilt associated with leaving children.

The National Council for One Parent Families study of lone parents training and employment needs (1990)

This study included interviews with 21 women who had taken part in NCOPF return to work courses. Although the study was on a very small scale it produced in-depth information about the difficulties of working. The authors concluded that while the participants shared a situation in that they were all lone parents, and shared certain practical differences in common, individual differences also led to differing experiences of the return to work.

Studies of low income families

Millar's analysis of low income families in the 1979 to 1980 Family Finances Survey and Family Resources Survey (1989)

The aim of Millar's study was to investigate the circumstances of low income families with dependent children using secondary data sources. Families were defined as having a low income if their current net income minus housing costs was below 140% of Supplementary Benefit ordinary rates. The research was based on a sample of around 3 000 families and included significant numbers of lone parent families since they were particularly likely to have incomes below this level. The study produced many valuable findings and because it was longitudinal was useful in identifying the routes by which lone parents succeeded in increasing their incomes above the low income level.

It also found that lone mothers were far more likely to experience poverty than lone fathers and that the chances of their moving out of poverty were significantly lower than for two parent families. Like the WES and Bradshaw and Millar the study also found that many lone parents expressed a preference for employment. Millar claimed, however that it was often problematic to ask lone parents about their employment intentions because their entry to the labour market is often 'opportunistic', the result of a job

coming up rather than the result of active search or even the expressed wish for a job.

The McLaughlin et al study, 1989.

This was a small scale in-depth study comprising interviews with 36 families in West Yorkshire and 19 in Northern Ireland. The research was commissioned by the DSS who wished to find out whether benefits created a significant disincentive for unemployed people to return to work, particularly men with families. It was also intended to examine part-time work, and especially the employment position of women married to unemployed men.

The study found that it was unlikely that individuals were basing their employment decisions upon complex calculations. People did not have perfect knowledge of benefits in order to be able to make such decisions and they preferred work to unemployment for a variety of reasons other than just financial ones. The fact that individuals could not be sure they would receive in work benefits and did not know how much they would be entitled to meant that it was often safer to remain unemployed than to risk getting into debt by going to work. Income risk then appeared to be a more important factor than the level of out of work benefits in deciding whether or not to take a job.

The Jordan et al study of the employment decisions of low income households (1992)

This was also a small scale qualitative study involving interviews with 43 families with children including seven lone parents. Jordan et al wished to find out whether people calculated net gain in household income before deciding to take a low paid job, whether they recognised the poverty and unemployment traps, and if so what they did about them, and to what extent the labour market and tax and benefit system and interactions between the two influenced their decisions. They stated, however, that the research was supposed to be exploratory and they did not attempt, therefore, to test hypotheses.

Although the study only included seven lone parents, the results are extremely interesting. It was found that people framed their answers to questions about employment decisions less in calculative economic terms than in terms of their roles in the family and responsibilities. Women framed their decisions in terms of childcare responsibilities, providing income for certain expenditures and their personal needs for a break or for stimulation or company. Social support networks were of prime importance in enabling women to combine their employment with their family responsibilities.

Conclusion

This chapter has considered the theoretical and policy background to this study and provided a review of previous research literature relating to lone parents, employment and Family Credit. It has been stated that the subject of lone parents' employment cannot be understood from a single theoretical perspective and can only be understood by considering the relative influence of economic, social and cultural factors.

The discussion of previous research literature covered a wide range of research including studies on particular benefits, studies of lone parents' employment, studies of low income families, as well as two large scale surveys, one on women's employment, the other on lone parent families. The research which was considered ranges from very small qualitative studies to large scale quantitative studies which have often been based on secondary data sources. While all the research considered has produced useful findings, a conclusion which has to be drawn from the research review is that, at the time I embarked upon this study, there appeared to be an absence of qualitative research which looked at the employment of lone parents. Much of the previous research in the area had been based on multivariate analyses of large scale survey data. While such research is useful in that it offers us reasons which might account for lone parents' labour force participation rates, there was a need to complement this with more in-depth research to provide us with a better understanding of lone

parents' employment decisions and experiences. The studies by Jordan et al and McLaughlin et al provide useful in-depth understanding of such issues but they looked at low income families in general rather than specifically at lone parents.

Those qualitative studies which have looked specifically at lone parents have tended to include more non working than working lone parents and as such while we have some understanding about the employment decisions of non working lone parents and the barriers to work which they encounter, less is known about those lone parents who are already in work. None of the studies looked specifically at working lone parents except the NCOPF study which was designed specifically to monitor the outcome of their return to work courses. There was certainly a need, therefore, for more research about lone parents who are in employment. Because the government has chosen to use Family Credit in its attempts to encourage more lone parents to work, there was a particular need for research which looks at working lone parents who are in receipt of this benefit. The Corden and Craig study included lone parent Family Credit recipients but was intended primarily to provide evidence about the effect of the change from Family Income Supplement to Family Credit. It was also carried out before the 1992 reforms to Family Credit which have been particularly important for lone parents.

The publication of the series of reports by the DSS/PSI in recent years have considerably filled the gap in our knowledge of lone parent Family Credit claimants (Marsh and McKay, 1993; McKay and Marsh, 1994; Ford et al., 1995; Bryson and Marsh, 1996). The studies provided valuable information about employment and Family Credit which had been hitherto neglected. Although this particular study is small scale, it has produced qualitative in-depth information which can supplement the information we have received from the larger surveys of recent years.

Chapter 3 Research Design and Methodology

This chapter begins by discussing the theoretical and methodological perspective which was adopted and considers the various merits and demerits of the particular research method which was chosen. It then discusses the means by which access to a sample of lone parents was negotiated. After considering the aims of the study it discusses how the interview schedule was designed with the intention of investigating these aims. It then provides a consideration of aspects relating to the process of data collection and lastly discusses the way in which the data from the study were analysed and presented.

In the last chapter it was argued that lone parents are influenced by economic, social and cultural factors. Thus the subject under study can only be understood in its entirety through an appreciation of the many factors which influence their lives. This suggests that the study is not amenable to understanding by the use of a single theoretical paradigm. Indeed many researchers and theorists have argued that social life cannot be understood through any single paradigm (Giddens, 1989; May, 1993; Patton, 1990). Giddens argues that

'Theoretical diversity rescues us from dogma. Human behaviour is complicated and many sided and it is very unlikely that a single theoretical perspective could cover all of its aspects' (Giddens, 1989 p715).

This study is based, therefore, on a theoretical perspective and research methodology that enables exploration of both individual and wider social and cultural forces through a phenomenological perspective which is informed by an awareness of structural factors. The phenomenological perspective is committed to understanding social phenomena from the actors own perspective, the aim is to gain an understanding of the world as it is experienced by people themselves, (Patton 1990). It is only possible, however, to achieve an understanding of people's experiences if account is taken of the social and cultural factors which can affect their behaviour. Silverman (1993) for example, cites the example of the cultural

compunction for mothers to display their 'responsible parenthood' in providing accounts of their daily life.

Such an approach, therefore, takes account of underlying structural mechanisms and acknowledges that the knowledge people have of the social world affects their behaviour. Thus it is not always possible for people to act rationally because the existence of outside factors constrains their freedom to make their own decisions. At the same time, however, it is also acknowledged that people are able to exercise free will and make judgements which alter the course of their lives. The 'duality of structure' in enabling people to act as well as constraining their choice of possible courses of action is therefore recognised (Giddens, 1976; Blaikie, 1993; May, 1993).

A reliance on more than one theoretical perspective is compatible with adopting a qualitative methodology, since

'It is not necessary...to swear allegiance to any single epistemological perspective to use qualitative methods' (Patton, 1990 p89).

Strauss and Corbin define qualitative research as

'any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification' (Strauss and Corbin, 1990 p17).

They, therefore, define it in terms of what it is not. Janet Finch (1986) also states that qualitative research is taken to encompass techniques that are not statistically based but she also adds that they are especially suited to small scale analysis and studies in which the researcher attempts to get to know the social world being studied at first hand. Furthermore, she adds that qualitative research in social policy complements other types of data and can provide descriptive detail. Denzin and Lincoln discuss the problems of defining qualitative research but nevertheless offer 'an initial, generic definition':

'Qualitative research is multimethod in focus, involving an interpretive, naturalistic approach to its subject matter. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them' (Denzin and Lincoln, 1994 p 2).

As such I feel that a qualitative methodology is suited to the purposes of this study which aims to gain insight and understanding of the labour market behaviour and experiences of lone parents on Family Credit and also of their experiences of claiming income related benefits. The discussion of previous research in Chapter 2 showed that there had been a lack of qualitative exploratory research about lone parents' employment and this study hopes, therefore, to add to the amount of empirical evidence we have about the subject. By studying a small group in detail, the study should complement the larger scale studies which have looked at the issue of lone parents and employment, particularly those which have been published during the course of this research (McKay and Marsh, 1994; Ford et al, 1995), by providing descriptive detail about lone parents' employment and benefit experiences.

The method of data collection

The aim of the method of data collection was to obtain accurate and detailed data about the past and present employment and benefit experiences of lone parents who were in receipt of Family Credit. Face to face interviews appeared to be the most appropriate means of obtaining the detailed data which was required. Although the method of participant observation is a particularly fruitful way of obtaining qualitative data, it was not deemed to be appropriate for this particular study because it would have been difficult to study the target group in their natural setting. It might have been possible to set up a 'focus group' of lone parent Family Credit recipients in order to encourage them to discuss their experiences as a group, which was one method used by Corden and Craig (1991) in their study of Family Credit. This was considered to be problematic, however, because the childcare commitments of lone parents would make it difficult for them to attend a group setting of this nature. Also, such methods of data collection are only normally used as a means of supplementing the data obtained from individual interviews.

It was decided that face to face interviews would be used as the method of data collection, therefore. May states that

'Interviews are used as a resource for understanding how individuals make sense of their social world and act within it' (May, 1993 p108).

He also claims that interviews can

'...yield rich sources of data on people's experiences, opinions, aspirations and feelings' (May, 1993 p91).

It was anticipated, therefore, that interviews would be useful in that they would produce the detailed information which was required from the method of data collection. In the interviews I wanted to cover the same areas with each person to permit comparability between responses, but at the same time I also wanted to allow them the flexibility to describe their situations in their own words. I felt that this would be achievable by using in-depth, semi-structured interview methods, based on a pre-prepared interview schedule.

Structured interviews permit comparability between responses by asking each person the same question but are restrictive in the extent to which they allow respondents to express their opinions in their own words. Because they rely on a series of pre established questions and normally have a limited set of response categories questions are asked in the same order and there is little flexibility in the way questions are asked or answered (Fontana and Frey, 1994; May, 1993). Fontana and Frey argue that

'Such an interviewing style often elicits rational responses, but it overlooks or inadequately assesses the emotional dimension' (Fontana and Frey, 1994 p364).

Despite their usefulness in allowing comparability of response, structured interviews were, therefore, considered to be too restrictive for the purposes of this study. At the same time, however, unstructured interviews were also deemed to be problematic. While unstructured interviews undoubtedly provide the informant the greatest opportunity to discuss subjects of their choosing in their own words, I felt the fact that I wished to cover the same areas with all the respondents in order to provide answers to particular research questions, necessitated the use of an interviewing style which permitted some sort of comparability between cases. Hence the decision to rely on a semi-structured style of interviewing. While the questions which would be asked would be specified beforehand, they would

consist mostly of open ended questions to allow me to use probes and if necessary to vary the sequence in which questions would be answered. Most importantly, semi-structured interviews would allow the interviewees to answer questions more on their own terms than is permitted by the standardised interview and yet provide greater opportunity for comparability than the unstructured interview (May, 1993).

It is argued that allowing respondents the freedom of open ended responses and giving them some control over the sequencing and language of the interview is conducive to good research - it allows a closer relationship between interviewer and respondent, and

'Interviewers can show their human side and answer questions and express feelings' (Fontana and Frey, 1994 p370).

It is also argued that it provides a greater spectrum of responses and a greater insight into the respondents lives (Oakley, 1990). Bulmer (1986) cites Dennis Marsden's study of lone mothers as an example of a study based on intensive interviewing using open ended questions which was successful in making the interview as much like a conversation as possible. At the same time, however, he also claims that Marsden's study was able to provide evidence about the impact of policy upon those for whom it was intended, through his analysis of the lone mothers experiences of Supplementary Benefit. Semi-structured interviews using in-depth questioning based on a pre-prepared interview schedule appear to be particularly useful in conducting social policy research such as mine, therefore.

May argues, however, that

'Researchers ...have a duty to themselves and to others to reflect upon and acknowledge both the strengths and weaknesses of the methods they employ' (May, 1993 p109).

Semi-structured interviews, like any research method have disadvantages as well as advantages. One of the main problems is that of reliability of informants' accounts. There is the possibility that accounts may be inaccurate since informants may distort social reality or conceal what the interviewer wants to know (May, 1993; Silverman 1993). May (1993) asks whether interviews are actually able to reflect anything beyond the interview situation.

This is acknowledged to be a potential problem in this study. Because many of the questions will relate to episodes of the respondents' past and will rely on their ability to recall past actions and behaviour accurately, it is possible that their accounts might not be completely reliable. Silverman (1993) claims, however, that reliability is not so crucial in qualitative research in which the aim should be to achieve an 'authentic' understanding of people's experiences. He states that

'...it is believed that open ended questions are the most effective route towards this end' (Silverman, 1993 p10).

Brown and Sine also believe that reliability need not be a problem in qualitative research,

'...an account...must be taken as an informed statement by the person whose experiences are under investigation' (Brown and Sine, 1981 in Silverman p107).

A further claim against in-depth interviewing is that it suffers from lack of objectivity. Positivists argue that researchers should maintain detachment from the phenomena under investigation and hence an objective distance from the interviewees. It has already been argued above, however, that objectivity is not necessarily a desirable goal in qualitative research, that there are benefits to be gained from a closer relationship between the researcher and the researched (Oakley, 1990, Finch, 1984). The issue is also an ethical one

'Should the quest for objectivity supersede the human side of those whom we study?' (Fontana and Frey, 1994 p373).

Fontana and Frey believe that the people we study should be treated as individual human beings rather than as objects or numbers. This study also starts from the premise that objectivity in terms of aloof detachment of the interviewer in the interview situation is not desirable.

Lastly, the single interview method has been criticised in that it represents a single intrusion into the lives of respondents. The majority of previous studies, as considered in Chapter 2, relied on the single interview method. The lives of lone parents, particularly those who are in receipt of Family Credit, are far from static. Even very minor changes to their employment, benefit, childcare arrangements etc, can have a large impact on their

overall circumstances. For this reason I decided that this study would not rely exclusively on the single interview method. Instead, where possible, I decided also to carry out follow up interviews with the original respondents in order to give some sort of longitudinal feel to the data and enable a sense of change or potential change to be built into the analysis.

Obtaining a sample

Having decided to carry out research with lone parents on Family Credit using in-depth interviewing to obtain the data required, the next step was to work out how to gain access to a sample of lone parents who were in receipt of this benefit which would be as typical of the wider population of lone parent Family Credit recipients as possible.

I wished to interview people who were lone parents in that they were solely responsible for one or more dependent child, and were also in receipt of Family Credit. I felt the only way of gaining a sample such as this would be to use Family Credit records. I, therefore, approached a member of the DSS research branch to enquire about the possibility of gaining a sample via access to Family Credit records. I was told, however, that the DSS were only able to agree access to records if, after having seen a full research proposal, they believed that the research could be of use to them. Because the study was at that time in the very early stages I was unable to provide the DSS with a full research proposal and was forced, therefore, to consider alternative means of obtaining a sample.

I contacted various different agencies which I felt might provide a means of obtaining a sample, including a doctor's practice who put me in touch with a health visitor, lone parent groups etc. There appeared, however, to be major problems involved in obtaining a sample from any such source. The main problem was one of obtaining a large enough sample. The different people I approached were all willing to provide me with assistance but stressed that the amount of lone parents who were in receipt of Family Credit to whom they could gain access was likely to be very small. Also, I felt there would be in built biases in using any of these means of

obtaining a sample. For example, health visitors only have responsibility for children up to the age of five and so had I relied on this source for obtaining a sample, all the respondents would have had a child under five. This was a particular problem since research has consistently shown that lone parents with children under the age of five are the least likely to be in employment (Bradshaw and Millar, 1991). Similarly the biases of samples drawn from members of particular groups have also been well documented.

It was then suggested that I attempt to contact Edinburgh District Council's Housing Benefit Section with a view to enlisting their help in obtaining my required sample. The Housing Benefit section said they would be able to differentiate from their records lone parents who were in receipt of Family Credit. After giving them a brief account of the kind of things I was expecting to ask my interviewees they agreed to allow me access to the Housing Benefit register for the Lothian region.

I was given a list of Housing Benefit claimants who were in receipt of lone parent benefit and a second list of Housing Benefit claimants who were in receipt of Family Credit. After cross referencing the two lists I was able to compile a single list of Housing Benefit claimants who were both lone parents and in receipt of Family Credit which were the requirements of my sample. There were 400 such lone parents in the area. Having calculated the total population from which my sample was to be drawn, however, it was not a simple process of drawing the sample randomly from this total population of 400. This was because the records of the lone parents were divided according to whether or not they were public or private tenants and the list of public tenants was further subdivided into seven housing administration areas. In the end, the Housing Benefit section selected seven individual claimants from each of their seven housing administration areas dealing with public tenants, which meant that 49 local authority tenants were selected. They also selected 31 private tenants which included housing association tenants as well as tenants who rented from private landlords. The reason why more people were selected from the lists of public tenants was because more lone parents in receipt of Family Credit were living in public than private accommodation. Research has consistently found that lone parents are more likely to live in local authority accommodation than in any other tenure type (GHS, 1992,

Bradshaw and Millar 1991). I chose to select seven tenants from each of the seven housing administration areas to ensure that lone parents accross the Lothian region would be represented in the sample.

A total of 80 lone parents were, therefore, drawn from the sampling frame of 400, a twenty percent sample. Once the sample was drawn, a letter was sent to these 80 lone parents by the Housing Benefit Section, asking them for their assistance (see Appendix 1). The letter briefly explained the nature of my research and ensured the lone parents of confidentiality if they decided to take part in the study. It asked them to reply to the Housing Benefit section within two weeks if they did not wish to take part, otherwise their names and addresses would be forwarded to me.

As a result 14 lone parents informed the Housing Benefit section that they did not wish to be interviewed. In only three cases did the individuals concerned give a reason for not wanting to take part. One woman stated that she was too busy to be interviewed but that she thought the research sounded interesting and that she wished me well. Two others said they could not be interviewed because they were no longer in receipt of Family Credit.

I was, therefore, sent a total of 66 names and addresses, and as a result 40 lone parents were interviewed between April and October 1994. The remaining 26 were not interviewed for the following reasons:

- 8 had moved away
- 8 could not be contacted despite several attempts to do so
- 4 I was unable to locate from the addresses given
- 4 were contacted but did not wish to be interviewed
- 2 were no longer in receipt of Family Credit

Before I go on to discuss other aspects of the data collection process, it is necessary to say something about the representativeness of the sample. Firstly, it is impossible to say how far those who were interviewed differed from those who could not be interviewed for one reason or another. In particular it is possible that those people who refused to take part in the study differed in some way from those who agreed to take part.

Secondly and perhaps more importantly the sample has in built biases because it was drawn from Housing Benefit records. There are two main reasons for this:

1) Because owner occupiers are not eligible for Housing Benefit, the sample is biased in that it does not contain lone parents in receipt of Family Credit who are owner occupiers. Research has shown that lone parents are far less likely to be owner occupiers than are two parent families (GHS 1992; Bradshaw and Millar, 1991). At the same time, however, research has also shown that living in owner occupied housing is one variable which increases the employment participation of lone parents (Jenkins, 1991). It is likely, however, that because they are unable to receive any help with mortgage costs, lone parents are only likely to be on Family Credit if their mortgage costs are relatively low in which case their circumstances are unlikely to be very different from tenants anyway. Owner occupiers are more likely to remain on Income Support where their mortgage interest will be covered unless they can hope to receive particularly high wages in which case they would not be likely to be in receipt of Family Credit. Indeed the 1992 DSS/PSI survey stated that the lone parent Family Credit claimants who were owner occupiers (33% of the total sample) tended to have small mortgages and higher earnings on average. By the time I carried out the interviews two of the lone parents had actually become owner occupiers. They had both purchased their council houses because an increase in their wages had meant they were no longer eligible for Housing Benefit and their mortgage worked out less than their rent would have done.

2) The sample is likely to include a high number of lone parents with very low wages compared to lone parent Family Credit recipients in the general population. Since Family Credit replaced Family Income Supplement in 1988 recipients receive more benefit but are less likely to be eligible for Housing Benefit, because Family Credit is taken into account when assessing Housing Benefit. Corden and Craig pointed out that this meant many ex Family Income Supplement recipients lost their entitlement to Housing Benefit when Family Credit was introduced unless they had very low earnings (Corden and Craig, 1990). In one sense this is not necessarily bad since it means that the study is focused on those lone parents who are likely to be most affected by the operation of the 'poverty trap', and are

likely to have most experience of the problems resulting from the structure of the benefit system. This is a significant effect of the sampling strategy and it may mean that the experiences of the lone parents in this sample are not necessarily typical of lone parent Family Credit recipients in general. By the time the interviews were carried out, however, a number of the respondents were no longer in receipt of Housing Benefit.

Pilot interviews

Because I wanted to ensure that the interview schedule would enable me to collect data on the kinds of area I wished to explore and because I had no previous experience of conducting interviews, I decided to undertake a number of pilot interviews prior to the main interviews. The first step taken in doing this was to draw up a pilot interview schedule consisting of questions which I felt might be relevant to the subject of study. These questions were formed after a consideration of previous research literature from which I was able to establish areas which previous studies had indicated might be important. I was also able to note areas which either had not been considered in such studies, or not considered in great depth, about which I felt more information was required. Lastly questions were formed on the basis of areas which personal experience of the subject led me to believe might be relevant.

Although a pilot interview schedule was drawn up as a result, because the first pilot interviews were intended to be exploratory in nature, the number of questions were kept to a minimum and the interview schedule was intended to act more as a topic guide. The first two pilot interviews were, therefore, relatively unstructured and took the form of a discussion rather than a formal interview. The lone parents who took part in these first two pilot interviews were found through personal contacts and much of the discussion centred around asking them which areas they considered to be important.

On the basis of the information collected from these two interviews, I decided that the areas I had felt to be of importance warranted further

investigation, but the opinions of the lone parents who had been interviewed were useful in enabling me to build upon these initial ideas and to accommodate some of their suggestions in the drafting of the final interview schedule. The interview schedule which was drawn up following these first two exploratory interviews, was then piloted with a further two lone parents who were once again found via personal contacts. These two interviews indicated that the interview schedule was fruitful in obtaining data about the areas I wished to investigate but that certain minor modifications needed to be made. These entailed reordering some of the questions, altering the wording of others and omitting some altogether to minimise repetition. The interview schedule was then felt to be satisfactory and was used in this form in the 40 interviews with lone parents.

The Aims of the Research

Before describing the design of the interview schedule and how the research was carried out it is necessary to discuss what were the main aims of the study. The overall aim of the study was to gain an in-depth understanding of the past and current employment and benefit experiences of lone parents in receipt of Family Credit. I wished to examine, explore and obtain data on areas which previous studies had considered to be important, and on areas which previous studies had excluded but which I felt to be important, or that the lone parents in the pilot studies had suggested were important. As such the study was designed to concentrate on three main areas:

1) Employment decision making

Because there had been only minimal research upon the subject of lone parents and employment, very little was actually known about the reasons why they worked and what factors they took into consideration when they made their decisions about employment. It was argued in Chapter 2 that theories of the labour market are limited in the ways in which they account for the labour market behaviour of women in general, and particularly of lone parents whose labour market behaviour is complicated

by the effects of the benefit system and by the fact that they have sole responsibility for dependent children. In order that labour market theories can adequately account for the labour market behaviour of lone parents more empirical evidence is required about this subject. Much evidence has been collated regarding the reasons why lone parents do not participate in the labour market but there was far less evidence available to explain the reasons why many do. As such this study hoped to consider the employment decision making of a small number of lone parents on Family Credit which would hopefully be of relevance to the wider debate about lone parents and employment.

In order to investigate the employment decisions of lone parents on Family Credit I hoped to provide answers to the following three research questions:

a) What employment decisions do lone parents make?

When considering the subject of employment decisions it was anticipated that some lone parents probably would not have made any specific decisions about employment. Millar (1989) claimed, for example, that women's entry into the labour market was often 'opportunistic'. They often ended up in work, as the result of a job coming up rather than having actively looked for work or having even made a clear decision to go to work. It is likely, therefore, that some lone parents do not sit down and make a conscious decision to work at all and the study wished to investigate this supposition.

Of those who do make a conscious decision to work it is likely that different people make different decisions. It was expected that people would have come to be in receipt of Family Credit for a variety of reasons, therefore. Some may have previously been on Income Support and not worked and decided to go back to work. Others who had been on Income Support may, however, have already been working part-time but have decided to increase their hours in order to claim Family Credit. Others again may have been working part-time and come to be in receipt of Family Credit as a result of the 1992 changes and would, therefore, not have actually made

any plans to come off Income Support. The study wished to consider the range of employment decisions which were made.

Because the majority of lone parents have at some point claimed Income Support (Bradshaw and Millar, 1991), it was likely that most of the sample would be ex-Income Support recipients. Because my sample was drawn from Housing Benefit records, however, it was quite possible that some of its members would never have claimed Income Support before. The study was designed specifically to consider how their circumstances, employment decisions, and perceptions of employment may have been different to those lone parents who had previously claimed Income Support.

Lastly, it was expected that some of the lone parents might continue to make employment decisions once they were working and in receipt of Family Credit. Because of the constraints the presence of children place upon lone parents' employment decisions, it is possible that some are only in a particular job or in receipt of Family Credit because it suits their current circumstances. As such some may have decided to make changes to their employment status at some point. Corden and Craig (1991) found for example, that many of the lone parents in their study had worked part-time while on Income Support, had increased their hours in order to claim Family Credit and expected to increase their hours still further in the future. Family Credit receipt was viewed as being one step on the way towards a long term employment goal, therefore. This study intended to ask the lone parents about their future plans and intentions in order to investigate whether they had any long term employment plans or whether they intended to remain in the same job indefinitely.

b) What factors do lone parents take into account when making employment decisions?

After considering the theoretical and research literature in the last chapter it was stated that lone parents' employment decisions can only be understood through a consideration of economic, social and cultural factors. As such it is likely that their employment decisions might be based

upon a large range of factors. Although financial factors will undoubtedly be important in accounting for their decisions, the literature which was considered also pointed to the fact that the age of children, access to childcare, desire for social stimulation and other factors were also likely to be important. I expected, therefore, that the lone parents' employment decisions would have been based on far more than just financial considerations. While I hoped to be able to identify which factors were important in accounting for their employment decisions, it was likely that different individuals would place an emphasis on different factors. It was expected that some individuals might place most emphasis on financial factors while others would be more likely to stress the importance of social or cultural factors. The study wanted to consider what factors were important for different people, and to examine how they talked about their decisions.

c) To what extent are lone parents employment decisions based upon financial calculation?

It was stated in chapter 2 that economic analyses of employment decisions stress that people decide whether or not to work or how many hours to work after weighing up the financial costs and benefits of a particular decision. In many ways this question is connected with the one above. If people are concerned with the social benefits to be obtained from working then they are unlikely to sit down and attempt to calculate what might be the financial costs and benefits, although they may still be concerned to ensure that a chosen employment course will not leave them worse off.

The research literature discussed in the previous chapter also suggested other reasons why lone parents' employment decisions might not be based on intricate financial calculation. The NAO (1990) study found, for example, that it was unlikely lone parents would be able to make the kind of financial calculations which economic analyses warrant due to the complexities of the benefit system. It is likely that many people do not know before they make an employment decision which benefits they will be entitled to, and even if they do know they are unlikely to be able to calculate how much benefit they will actually receive. As such many lone parents are likely to go to work without knowing for definite how much

better off they will be. McLaughlin (1989) and Jordan et al (1992) also pointed to the complexities of the benefit system in making it very difficult for their samples of low income households to make what economists would describe as 'rational' employment decisions. I wanted to find out, therefore, whether the lone parents had attempted to make financial calculations in deciding whether or not to work, increase hours, etc, and if they had, to examine how difficult this had been.

2) The transition to Family Credit

Previous research has indicated that the initial transition to Family Credit can be particularly problematic. Problems occur specifically as a result of the time lag between starting work and receiving wages and income related benefits. As a result people often have very little income to live off for several weeks, sometimes even longer, which means they may be forced to borrow money and get into debt as a consequence (Corden and Craig, 1991). It has even been suggested that the difficulties low income households can face when moving into employment with in work benefits might account for their non participation in the labour market. McLaughlin et al (1989) developed a theory of 'income risk' to explain why some unemployed families are reluctant to consider the possibility of combining employment with receipt of income related benefits, even when the alternative is reliance on Income Support.

This study sought to complement the findings of other studies which have looked at the difficulties which people encounter when they first claim in work benefits, by exploring the experiences of a small group of lone parent Family Credit claimants. In particular the study wished to provide answers to the following research questions

a) What difficulties do lone parents encounter on moving onto Family Credit?

Because of the nature of the sample, it was likely that benefits would make up a fairly large proportion of the total incomes of the lone parents. As

such it was expected that the transition to Family Credit was likely to pose particular difficulties to them. The study wanted to examine how long people had to work before they received their wages and in particular how long they had to wait before receiving Family Credit, Housing Benefit and council tax benefit. It was expected that even if benefits were assessed relatively quickly, that people would have difficulty managing for at least a couple of weeks. Although most people were likely to experience difficulties in some form or other, it was likely that some would experience more difficulties than others. It was possible, for example, that those lone parents who had not moved from Income Support to Family Credit might not have experienced as many difficulties as those who had and the study wished to pursue this possibility. It was also expected that those lone parents who were already in debt when they moved onto Family Credit might experience greater difficulties. I wanted to ask the lone parents whether or not they had any debts at the time they first claimed Family Credit, and if so whether they had to make new arrangements for paying back these debts once they were working.

b) How are lone parents able to cope with the difficulties of the transition period?

If the lone parents experienced financial difficulties during the transition to Family Credit then they must have developed strategies for dealing with these difficulties. The study wanted to find out whether they had to borrow money in order to get through the weeks when they were waiting for wages and benefits or whether they were able to manage without having to borrow. It also wanted to find out whether people were able to pay all their outgoings during this time or whether they got into arrears with bills. Corden and Craig (1991) found that many of their respondents did run up arrears during the transition period. They also found that for some this led to long term debt, because they were unable to catch up on missed rent and other payments. I wanted, therefore, to investigate whether the difficulties which people experienced during the transition period were only short term and able to be sorted out once wages and benefits arrived or whether problems were of a more long term nature.

3) Perceptions of employment and Family Credit

Previous research which has considered the area of lone parents and employment has normally been based upon large scale inquiry and has been focused on specific questions which were designed to inform policy relating to lone parents. In particular because studies have normally only included small numbers of lone parents in employment we have little in-depth knowledge of their experiences and perceptions. Further research was required in order that we might gain more insight into their perceptions of employment, childcare and related subjects as well as their perceptions of in work benefits, to enable us to discover more about the ways in which lone parents are able to reconcile the opposing demands of employment and care of children. This study intended to consider such issues in some depth.

In seeking to investigate perceptions of employment and Family Credit, the study aimed to answer the following research questions

a) What are the lone parents' perceptions of their financial position?

This has been a neglected question in research which has looked at lone parents and employment. In so far as previous research has considered the financial position of working lone parents it has tended to be concerned with working out whether or not they are better off working than they are on Income Support. While this is important considering the government's desire to encourage lone parents to claim Family Credit, we need to consider what are lone parents' own perceptions of their financial positions. It is likely that different people will have different perceptions. For example, it is possible that while some people's income on Family Credit might be higher than on Income Support, that they do not necessarily feel that they are any better off. It is possible that those who have never claimed Income Support might perceive their financial position to be fairly bad because they have nothing to compare their current income level with. Another factor which might be important is debt. If people are in debt they are likely to perceive their financial position in a more negative light than if they are not. As such the study aims to consider the lone parents'

perceptions of their financial positions and to attempt to account for these perceptions.

b) Do lone parents view employment with Family Credit as a means towards securing eventual financial independence?

Corden and Craig (1991) found that the lone parents in their study viewed Family Credit as a vital step towards achieving financial independence as they built up their hours and regained skills and experience. They stated, however, that their study provided little evidence of the poverty trap and its effect upon people's perceptions of Family Credit. It is possible that if people are aware of the operation of the poverty trap and recognise it will be difficult for them to increase their incomes while on Family Credit, that they will be less optimistic about their chances of becoming financially independent. This study wants, therefore, to investigate people's awareness of the poverty trap and to examine whether or not they expected to become independent of Family Credit and other income related benefits in the future. In other words, to examine whether the lone parents viewed Family Credit receipt as temporary or permanent. It would be expected, that this would be connected to their employment plans for the future, that those who had plans to change their employment status would be more likely to be optimistic about their chances of being able to attain financial independence.

c) What do lone parents perceive to be the main costs and benefits of working?

Due to an absence of qualitative research which has looked at lone parents who are in employment, we have little knowledge of the benefits which they derive from working. Because lone parents are likely to find it even more difficult than women with partners to combine childcare responsibilities with paid employment, it is likely that there are significant costs connected to their working. The Australian study by Frey found that the benefits of working for lone parents were many and far outweighed the costs. The costs were, however, felt to be considerable. This study aims, therefore, to consider what are the costs and benefits of work for lone parents.

The Interview Schedule

The interview schedule was designed to investigate the three areas which have been considered - lone parents' employment decision making, the transition to Family Credit and perceptions of employment and Family Credit. It was designed specifically with a view to answering those research questions which have been outlined above. The final design of the interview schedule which was used in the main interviews can be seen in Appendix 2. In order to answer the research questions it was divided into a number of specific sections:

- 1) Family details
- 2) Employment and benefit history and current details
- 3) Reasons for working and experiences of Income Support
- 4) Financial considerations relating to the decision to work
- 5) Job search
- 6) The transition to Family Credit
- 7) Income and expenditure and perceptions of financial position
- 8) The costs and benefits of working
- 9) Childcare issues
- 10) Perceptions of employment
- 11) Perceptions of Family Credit
- 12) Future plans and expectations

In designing the interview schedule particular care was taken to ensure that there was a logical ordering of questions and that questions which were related to specific areas or issues were grouped together. It was based upon the principle of sequential interviewing using a chronological format which proved to work well in the pilot interviews. After considering straightforward questions relating to family details, the interview schedule moved onto a consideration of episodes which occurred in the respondents' pasts. It then moved onto an examination of the respondents' current situation and attempted to discover their feelings and opinions of issues which had a bearing on their current situation. It then attempted to unveil their perceptions of issues relating to the subject in

more general terms, thus broadening the area of study from a purely personal one. Lastly questions were asked about the future plans of the respondents. The interview schedule moved, therefore, from a consideration of the past, to the present and finally to the future. It has been stated that sequential interviewing can be useful in that it enables people to reflect on their experiences and the event in which the researcher is interested as it is unfolded (May, 1993).

The interview schedule also attempted to make the wording of the questions and their general focus as clear as possible and endeavoured to avoid the use of leading questions which presuppose that there are reasons why things occur and that these reasons are knowable. In some cases a comment or statement was made before a question was asked to further alert the interviewee to the nature of the question. Again the pilot interviews were useful in indicating where this might be necessary. Because the method of interviewing was semi-structured, I also planned to make extensive use of probes. This included using 'elaboration probes', to keep the respondents talking about a subject, 'clarification probes', to ensure that what the respondent is saying is clearly understood, and 'detail oriented probes' to enable me to obtain a complete and detailed picture of an experience being described (Patton, 1990).

The interview process

All 40 lone parents were interviewed in their own homes over a six month period. If the individuals phone number was to be found in the telephone directory, then she was contacted by telephone, but in the majority of cases the interviewee was contacted in person. Sometimes this necessitated visiting a person several times before they were in and I was able to arrange a suitable time for an interview to take place. Much time was spent, therefore, in trying to establish contact with the interviewees, and much time and money was wasted in travelling to an address only to find that the person I wished to find was no longer living there. Presumably, however, this is all part of the experience of conducting primary research!

Although the letter the respondents received from the Housing Benefit Section had informed them of the aims of the research and had stressed that the information received from an interview would be treated confidentially, I reiterated these facts once again before the commencement of each interview. This proved to be very necessary since many people appeared to have no idea what it was all about. This resulted mainly from the fact that because the letter had been sent by the Housing Benefit section, many people mistakenly believed that I actually worked for the Housing Department. A couple of people were actually disappointed when they discovered that I would not be able to provide them with assistance in their Housing Benefit claim ! Each respondent was also asked before the interview began, whether they would allow me to tape the interview, which they all agreed to.

The length of time of the interviews varied considerably, the longest taking about two and a half hours and the shortest forty minutes. The average time was around an hour. One of the main problems I experienced in conducting the interviews was that children were present in many cases. Sometimes the children were quite young and attempting to conduct an interview occasionally proved quite problematic with the tape recorder having to be constantly switched on and off. In one case I had to abandon the tape altogether because a three year old decided it looked like a good thing to play with ! There were also one or two occasions where visitors arrived during an interview which proved to be quite problematic when they attempted to take part in the discussion as well. In such cases the tapes proved invaluable in enabling me to distinguish what was actually said by the respondent and what she was led to say as a result of a friend intervening.

Apart from these minor problems, however, most of the interviews went very well. Establishing rapport proved to be quite easy, especially when I mentioned that I also had children. Most of the respondents appeared to enjoy the experience of taking part in the study and several stated that it had been a worthwhile experience. After having conducted the interviews I would agree with those researchers who were mentioned earlier who argue that interviewers should not maintain a position of detachment from their respondents. Even had I desired to do this I doubt whether it would

have been possible since throughout the interviews I was asked many questions by the respondents which it would have been impossible not to answer. These questions consisted both of personal questions about my own situation as well as advice questions concerning Family Credit, Housing Benefit, the Child Support Agency etc. I would, therefore, agree with the claim made by Anne Oakley (1990), that the idea of not answering questions posed by the interviewee would not be conducive to establishing rapport, and would say in the words of Janet Finch (1984) that I was treated more like a 'friendly guest' than an 'official inquisitor'.

As well as conducting 40 interviews, I also succeeded in carrying out follow up interviews with 28 of the original 40 respondents. The follow up interviews took place between April and September 1994, so in most cases they occurred around 12 months after the first interview. Of the 12 respondents who were not interviewed a second time, eight had moved by the time I attempted to reestablish contact with them. I was unable to gain contact with the remaining four as they were out on at least five successive occasions. In one case I suspect the individual may have also moved because her phone number was no longer available. Although 70% of the original respondents were reinterviewed this was somewhat lower than I had anticipated as I had not expected so many of them to have moved house in the space of a year. The authors of one of the DSS/PSI studies also expressed surprise at the extent of mobility of lone parents, one tenth of whom had moved in the space of eighteen months (Ford, Marsh and McKay, 1995).

The follow up interviews were unstructured in form and were not based around an interview schedule. They were designed to cover a range of topics, however, and the list of topics can be seen in Appendix 3. The main purpose of carrying out second interviews was to establish what changes had occurred in people's circumstances. In many cases there had been significant changes in terms of employment, benefit receipt etc, which is an indication of the frequent changes which lone parents can experience. Obviously, however, many people's circumstances had not changed greatly after only a year.

The follow up interviews were also useful in enabling me to gather more information about the respondent's contact with the CSA and how this affected their perceptions of employment and Family Credit. They were also asked about their opinions of the Childcare Allowance within Family Credit which had not been announced at the time of the first interviews. Apart from seeking to discuss these issues with each of the respondents who were reinterviewed, the follow up interviews were focused on any changes which the individual had experienced since the last interview. As such the length of time of the second interviews varied considerably. Some people had much to say about changes or expected changes in their lives and the interviews went on for well over an hour. For those who had not experienced any changes in their circumstances and were not expecting any changes to occur, the interview rarely lasted more than half an hour. It is actually very difficult to say how long the second interviews lasted since because as I had already made previous contact with the respondents they tended to talk for quite a long time but the topics of conversation were not necessarily such as to include all parts of the conversation as interview time. The quality of information at the follow up interviews was generally good, however, since people tended to speak at length to a greater degree than they had at the first interviews.

I found that conducting follow up interviews was extremely useful in terms of the additional data which I was able to collect. I was surprised by the amount of changes which had occurred in the respondents' lives over such a short time space, something which is normally overlooked by research which relies on a single interview to generate data. Even the fact that so many of the respondents had moved and were unable to be reinterviewed is in itself further evidence of the amount of change a lone parent can experience in her life over a relatively short period.

Analysis

After each interview the tapes were transcribed and a summary of each interview was produced from the transcripts. These things were done as soon as possible after each interview. Once all 40 interviews had been

conducted analysis began by reading all of the interview transcripts and summaries in order to gain an impression of the data as a whole. During this preliminary reading of the data I attempted to look for topics which occurred and reoccurred and for emerging themes and patterns in the data. This led inductively to ideas about potential categories. Categories emerged both from the data itself and from the research questions which had been established prior to the interviewing process. The research questions were, however, only intended to guide the analysis. In Morse's words they were used as

'...a conceptual template with which to compare and contrast results, rather than to use as a priori categories into which to force the analysis' (Morse, 1994 p221).

Dey (1993) states that qualitative analysis requires a dialectic between ideas and data, that you cannot analyse data without ideas but ideas must be shaped and tested by the data being analysed. While the research questions were used as ideas, ultimately the categories which were used came from the data themselves, therefore.

The data was then decontextualised, that is separate pieces of data were removed from their context for the purposes of comparison across cases (Tesch, 1990). Initially I attempted to use Statview for this purpose but after finding this fairly unhelpful I resorted to more manual forms of analysis using the cut and paste facilities on my computer. In this way I was able to code the data so that answers from different people to common questions were grouped together. I was then able to aggregate all the data relating to a particular topic or theme so that categories could be studied individually. By this means cross case analysis developed and categories, ideas or themes were either confirmed by subsequent data or were modified or dropped altogether if there were found to be inconsistencies within the data. Once the data had been organised in this way it then had to be interpreted and presented.

In interpreting and presenting the data I attempted to ensure that the respondent's accounts were not distorted and the tapes recordings of the interviews were a useful means of checking my interpretations. At the

same time, however, it has to be admitted that the researcher's interpretation will always be a subjective one,

'Even though committed to empathy and multiple realities it is the researcher who decides what the case's own story, or at least what of the case's own story he or she will report' (Stake, 1994 p240).

One way I endeavoured to ensure that my interpretation was as close to the data as possible, was to use quotations from the respondents as often as possible in order to illustrate the points I was making about the data. As Huberman and Miles (1994) have pointed out, however, in interpreting and presenting the data, a tension exists in reconciling 'the particular' and the 'universal', between the need to preserve an individual case's uniqueness and the need to make comparisons. As well as including direct quotations, wherever possible, I also attempted to maintain the uniqueness of a case by using examples of specific cases as descriptive illustrations when presenting comparisons. Examples of this can be seen in Chapter 5 and Chapter 8.

This then was the way in which the data were analysed, interpreted and presented. The data collected from the follow up interviews was also transcribed. Where second interviews took place the information was added to the transcripts from the first interviews, and important information from the second interviews was added to the interview summaries which had been produced after the main interviews. In this way all data relating to an individual was kept in one place. The additional data from the follow up interviews led to the creation of new categories. Because 12 of the respondents were not interviewed a second time, however, in interpreting the data which was obtained from the second interviews I have attempted to stress that some of the results are speculative due to the problem of missing data.

Conclusion

Chapter 2 attempted to locate this study within an appropriate theoretical and policy context. Having looked at previous research it stated that there was a lack of qualitative research in the area of lone parents and

employment. As such I decided that I was justified in carrying out qualitative research in this area and this chapter has provided an account of the research design and explained the research methods which were used in conducting the research. The following chapter will provide an introduction to the data which was collected using the methods which have been described.

Chapter 4 The Lone Parents and their routes onto Family Credit

This chapter looks firstly at the general characteristics of the sample and then discusses the different routes by which the sample members came to be in receipt of Family Credit. Lastly it considers the employment and benefit status of the sample at the time of the second interviews.

The characteristics of the sample

Appendix 4 describes the personal characteristics of the members of the sample. The sample of 40 lone parents was an all white one. In the DSS/PSI study, 94% of lone parent Family Credit claimants were white (Marsh and McKay, 1993). The sample included 38 lone mothers and two lone fathers. Because there were only two fathers it was obviously impossible to compare their characteristics with those of the lone mothers. It was not possible, however, to exclude lone fathers from the study because I was unable to determine the sex of a potential respondent from the names given me by the Housing Benefit Section. I have included the lone fathers in the analysis because I believe their circumstances to be no different from those of the lone mothers. With hindsight, however, the quality of the analysis might have been better if I had omitted the lone fathers and this fact is taken into account when discussing the conclusions of the study.

Twenty nine (72.5%) of the respondents had claimed Income Support at some time in the past. This figure is quite high considering the DSS/PSI study found that 54% of lone parent Family Credit claimants had received Income Support in the past (Marsh and McKay, 1993). One objective of this study was to compare the experience of those who had previously claimed Income Support with those who had not. While it would be inappropriate to make generalisations from such a small sample, the discussion of their characteristics which follows considers differences between the lone parents in relation to whether or not they had previously claimed Income Support. It also compares, where figures allow, the characteristics of this sample with those of the 322 lone parent Family Credit claimants in the

DSS/PSI studies (Marsh and McKay, 1993; Bryson and Marsh, 1996; Finlayson and Marsh, 1997), in order to see how this sample compares with a much larger one.

1) Individual and family characteristics

a) Age

The age of the sample ranged from 23 to 49, the median age being 34.5. This is very similar to the median age of lone parent Family Credit recipients in the DSS/PSI study which was 34 (Marsh and McKay, 1993). More than half this sample were in their thirties, with only two people aged under 25 and three over 45. The median age of those who had been on Income Support before was the same as for those who had not.

b) Marital status and length of loneparenthood

Table 4.1 Marital Status

Marital Status	n	%
Divorced	17	(43)
Separated	9	(23)
Single	14	(35)
Total	40	(101*)

*Percentages do not add up to 100 due to rounding

These figures are fairly similar to those in the DSS/PSI study where 45% of lone parent Family Credit claimants were divorced, 18% separated and 33% single (Marsh and McKay, 1993). Of the 14 members of this sample who had never been married, half had become lone parents after separating from a partner. Those who had been on Income Support before were more likely to be divorced or single whereas those who had never been on Income Support were more often separated.

The length of lone parenthood varied from between one and seventeen years, the median length being six years. This compares with a median time of three years and seven months among the lone parent Family Credit claimants in the DSS/PSI study (Marsh and McKay, 1993). It is difficult to suggest why this sample should have tended to pick up people who had been lone parents for long periods. Those who had been on Income Support had spent more time as lone parents on average, the median being seven years compared to three years for those who had never claimed Income Support.

c) Number and age of children

Table 4.2 The number of dependent children and age of youngest child

No dependent children	n	%	Age of youngest child	n	%
1	20	(50)	0 to 5	7	(18)
2	14	(35)	5 to 10	13	(33)
3	4	(10)	11 to 16	20	(50)
4	2	(5)			
Total	40	(100)	Total	40	(101)
Median	1.5		Median	10.5 years	

Half the sample had only one dependent child. This figure is higher than the DSS/PSI study in which 39% of lone parent Family Credit recipients had one dependent child, 42% had two, 12% three and 6% four or more (Marsh and McKay, 1993). Eight of those who had only one dependent child had older non dependent children many of whom still lived within their household, however. Those who had claimed Income Support before had more children on average with a median of two children, compared to a median of one child for those who had never claimed.

The youngest dependent child of the sample was one and the oldest 16. Half the sample had a youngest child of 11 or over, with only seven having a youngest child under five. This might be expected from a sample of working lone parents since research has consistently shown that lone parents with pre-school age children are the least likely to be in employment (Martin and Roberts, 1984; GHS, 1992; Bradshaw and Millar, 1991). In the DSS/PSI study only slightly more - 21% had a youngest child under five. 42%, however, had a youngest child between five and ten and 37% eleven or over (Marsh and McKay, 1993). The age of the youngest child of the ex-Income Support claimants was on average slightly younger, the median age being nine as compared to 11 for those who had not been on Income Support.

d) Housing

Half the sample rented their accommodation from the local authority, a quarter from a housing association and a fifth rented from a private landlord. The remaining two respondents had previously been council tenants but had recently obtained mortgages to buy their properties. All the lone parents lived alone with their children except one woman who also had her mother living with her. Those who had been on Income Support before were more often council tenants, and both owner occupiers had been on Income Support. In contrast, those who had never claimed Income Support were most often housing association tenants.

In terms of housing, this sample differed quite markedly from the characteristics of the lone parent Family Credit claimants in the DSS/PSI

study. In that study, a similar proportion, 52% rented from the local authority but a far smaller proportion rented from a private landlord or Housing Association because 33% were owner occupiers (Marsh and McKay, 1993). It has already been noted in Chapter three that this study is confined to those on Housing Benefit records so that owner occupiers are not included.

2) Employment Characteristics

Table 4.3 Number of hours worked

Hours	n	%
16 to 19	13	(33)
20 to 23	13	(33)
24 to 29	6	(15)
30 or more	8	(20)
Total	40	(101)
Median	20 hours	

Two thirds of the sample worked for less than 24 hours a week, and this is important in terms of the 1992 reforms to Family Credit. Only a fifth of the sample worked 30 hours or more, the longest being 43 hours a week. It is possible, however, that some of the people who refused to take part in the study may have been working longer hours and were too busy to take part. Those who had never been on Income Support worked slightly longer

hours on average, with a median of 22 hours a week compared to 20 for those who had.

Bryson and Marsh state that in 1992 a third of their sample of lone parent Family Credit claimants were working under 24 hours a week. By 1994 the proportion working these hours had increased to 45%. While the number of lone parent Family Credit claimants working such hours is obviously increasing, the two thirds working such hours in this study is still high, therefore. Indeed in the 1994 DSS/PSI study the median number of hours worked was 25 compared to an average of 20 in this study where the fieldwork was carried out a year earlier (Bryson and Marsh, 1996).

Most of the lone parents had relatively low skilled, low status jobs. Three quarters worked in either shopwork, clerical work, cleaning or care work. The remaining quarter had a range of jobs including domestic work and catering. Three of the lone parents had two jobs.

The lone parents had held their present jobs for a median of two years but nine had had their current job for under a year and eight for five years or more. Those who had never claimed Income Support had had their jobs longer on average with a median of five years compared to two for those who had.

3) Childcare

Fourteen (35%) of the lone parents did not use any form of childcare while they were working. Their children were either old enough to stay on their own or else they only worked school hours. The remaining 26 (65%) did have to rely on childcare in one form or another. This figure is slightly higher than the 58% of lone parents in the 1994 DSS/PSI study who used some kind of childcare (Finlayson and Marsh, 1997), which is surprising considering the fact that the number of hours worked by this sample was lower on average than that in the DSS/PSI survey.

19 of the 26 people who used childcare did not pay for care. They relied on family members, most often their mothers or occasionally ex partners to

look after their children. Sometimes this was only when their children were not at school as their hours normally fitted in with school hours.

Only seven, 27% of the lone parents who used childcare paid for it. This is somewhat less than in the 1994 DSS/PSI survey where 38% of lone parents who used childcare paid for it. Only two people, 5% of the total sample actually paid for professional care in the form of a childminder. The DSS/PSI study also found that only a low number, 9% of their total sample, paid for professional childcare (Finlayson and Marsh, 1997)

4) Benefit characteristics

a) Length of Family Credit receipt

Table 4.4 Length of Family Credit receipt

No. years	n	%
less than 1	4	(10)
1 to 2	20	(50)
3 to 4	12	(30)
5 or more	4	(10)
Total	40	(100)
Median	2 years	

Four fifths of the sample had been in receipt of Family Credit for between one and four years. Those who had never been on Income Support had

been on Family Credit for slightly longer on average, the median length of time being 3 years, compared to 2 years for those who had.

b) Duration of past Income Support receipt

Table 4.5 Duration of past Income Support receipt

Years	n	%
2 and under	10	(34)
3 to 5	8	(28)
6 to 8	7	(24)
9 to 11	3	(10)
12 and over	1	(3)
Total	29	(99)

While just over a third of the 29 respondents who had claimed Income Support had received it for two years or less, over half had claimed it for between three and eight years and four for nine years or more.

5) Schooling and qualifications

More than half the sample had left school at the age of 16, but twelve had left at 15 and seven at 17. In the DSS/PSI study the median age of leaving school for lone parent Family Credit claimants was 15.2 (Marsh and McKay, 1993).

Table 4.6 Highest qualification achieved

Qualification	n	%
None	18	(45)
CSEs	1	(3)
O Grades	14	(35)
Highers	6	(15)
Other*	1	(3)
Total	40	(101)

*One woman attended school abroad and received qualifications at age 17

Just under half the sample had obtained no qualifications. This figure is very similar to that in the DSS/PSI survey where 47% of lone parent Family Credit claimants had no qualifications. Half had obtained either O Grades or highers. In the DSS/PSI study 17% had obtained O levels or A levels but it is difficult to compare these figures due to the differences in the Scottish education system (Marsh and McKay, 1993). The lone parents who had claimed Income Support before in this study, were more likely to have highers than those who had not.

Half the sample had taken some sort of training, college course or qualification since leaving school. Several had trained as nurses, nursery nurses or hairdressers after leaving school and some had taken specific courses as part of the training for their current job. A couple had participated in government training schemes when they were on Income Support. Those who had taken courses had most often taken a secretarial or

computing course, but three people had taken courses in social care or counselling. Most had taken these courses to improve their chances of getting employment. Two others had taken highs since leaving school for the same reason.

Routes onto Family Credit

At the time of the main interviews all 40 lone parents were working 16 hours or more a week and also in receipt of Family Credit. The routes by which they had come to be in receipt of Family Credit varied considerably, however. The table below shows the lone parents reasons for claiming Family Credit.

Table 4.7 Reasons for claiming Family Credit

Ex-Income Support		Non ex-Income Support	
Reasons	n	Reasons	n
Increased hours of work/ changed jobs	15	Became lone parents	8
Started employment of 16 hours or more	11	Started employment of 16 hours or more	1
Affected by 1992 changes	3	Maintenance stopped	1
		Realised was eligible	1
Total	29		11

From looking at the table it can be seen that the lone parents reasons for claiming Family Credit were different according to whether or not they had claimed Income Support before. The 11 who had never claimed Income Support tended to differ from those who had in terms of their employment histories as well as their benefit histories.

The table shows that eight of those who had never claimed Income Support claimed because they became a lone parent. They were all in employment when they became lone parents and claimed as soon as they separated from their partners or in one case when they had a child. Two of them increased the number of hours they worked in order to claim.

A further two of those who had never claimed Income Support were also in employment when they became lone parents but did not claim immediately. As the table shows, one did not claim until she realised she was eligible to do so which was some months after she became a lone parent. The other received maintenance when she became a lone parent and was, therefore, not eligible to claim until her maintenance payments ceased and her income fell within the limits for Family Credit.

The eleventh lone parent who had never claimed Income Support was not working when she became a lone parent. She had separated from her husband when she was pregnant and given up her job. She moved in with her parents with whom she continued to live after her baby was born. Although she would have been entitled to Income Support she did not wish to claim this and survived only on Child Benefit and financial assistance from her parents until her son was six months old when she found employment and started to claim Family Credit.

The table shows that 15 of those who had claimed Income Support in the past came to be in receipt of Family Credit when they increased their hours of employment or changed jobs. Eight of these 15 had worked for the whole time they were on Income Support but became eligible for Family Credit because they increased their hours or changed their job to one with more hours. The others were not working when they became lone parents and claimed Income Support but had since obtained part-time work and had also

become eligible for Family Credit when they increased their hours or changed jobs.

It can be seen that a further eleven people started claiming Family Credit after they started working for 16 or more hours a week (24 if before 1992). The employment and benefit histories of nine of these eleven were similar in that none of them were working when they became lone parents and none of them worked at all whilst on Income Support.

The circumstances of the other two were somewhat different. One was a male who gave up his full time job when he became a lone parent. He claimed Income Support and did not work at all until he obtained his Family Credit job. He was the only person in the sample to have given up employment on becoming a lone parent. The other was in full-time employment when she became a lone parent and was not eligible for Family Credit. She continued working full-time for a number of years until she gave up work through ill health and claimed Income Support. She only claimed for six months after which she obtained further employment and claimed Family Credit.

Lastly, it can be seen from the table that three people claimed Family Credit when they were affected by the 1992 changes to this benefit. All three had not been working when they became lone parents but had subsequently obtained part-time work and continued to claim Income Support because they worked less than 24 hours. In 1992 they were forced to transfer from Income Support to Family Credit when the hours of entitlement for Family Credit were reduced from 24 to 16.

This discussion of the lone parents routes onto Family Credit shows that there was considerable variation in terms of the employment and benefit histories of the lone parents prior to their being on Family Credit. In attempting to describe the main routes which were taken it can be seen that the main differences were in terms of whether or not they were working at the time they became lone parents, and if they had claimed Income Support before, whether or not they had worked part-time whilst on it. The discussion shows that a large proportion of the sample had

considerable recent employment experience when they moved onto Family Credit. Many of those who had never claimed Income Support before were able to continue working and claiming Family Credit after they became lone parents. Many of those who had claimed Income Support before were also working when they became lone parents and continued to do so once claiming Income Support. They had been unable to claim Family Credit because they were not working enough hours. Many of them had been working for 16 hours or more but became lone parents before the 1992 reforms. Had they become lone parents after April 1992, they would also have been able to claim Family Credit.

Employment and benefit status at the second interviews

While all 40 lone parents had been in employment of 16 hours or more and in receipt of Family Credit when they were first interviewed, this was not the case by the time of the second interviews. Of the 28 lone parents who were reinterviewed, 22 were still in some form of employment but only 18 were still receiving Family Credit. The following table illustrates the employment and benefit statuses of the lone parents at the time of the second interviews.

Table 4.8 Employment and benefit status at second interviews

Employment and benefit status	n
Working	
+claiming Family Credit	18
+claiming Income Support	2
+not claiming any benefits	2
Total	22
Not working	
+claiming Income Support/other benefits	5
student	1
Total	6

The table shows that 18 of the 28 people who were reinterviewed were still in employment and still claiming Family Credit. Fourteen of these had undergone no employment changes at all. Two people had, however, increased the number of hours they worked and a further two had changed jobs and were now working less hours.

Four people were still in employment but were no longer claiming Family Credit. Two were now in receipt of Income Support because they no longer worked enough hours to qualify for Family Credit. One had changed her job

to one with less hours, the other's job contract had ended and she had been given a new contract but for less hours.

The other two no longer received any income related benefits. One still worked in the same job she had at the first interview but was no longer a lone parent. She was living with her husband again who worked full-time. The other woman who no longer received benefits was the only sample member reinterviewed to have become independent of benefits whilst remaining a lone parent. She had changed her job to one with longer hours within the same organisation and was no longer eligible for Family Credit.

Of the six people who were no longer in employment, it can be seen that five were now claiming Income Support or other benefits. Three of these had left the labour market when they became pregnant. One was now claiming Income Support with a partner, the other two as lone parents. A fourth woman had given up work through ill health and was now claiming disability benefits. The fifth woman had undergone more wideranging employment and benefit changes. After the contract had ended for the job she had when first interviewed she had claimed Income Support. After a few months she found another job and claimed Family Credit for six months after which she gave up the job through ill health. So, at the time of her second interview she was once again claiming Income Support.

Lastly, it can be seen from the table that one of the lone parents was no longer working or claiming Family Credit because she had become a student. She had given up her job to do a course in social work and was receiving a student grant.

This account of the changes in employment and benefit status by the time of the second interviews shows that a fairly large proportion of the sample had experienced changes by the time they were reinterviewed. Ten people, more than a third of those reinterviewed, were no longer in receipt of Family Credit. The amount of change which had occurred within the space of a year provides evidence to support my original claim for wanting to carry out follow up interviews - that lone parents' employment and benefit status are far from static and are often subject to major change.

Conclusion

This chapter has discussed the family, employment, and benefit characteristics of the sample of 40 lone parents who were interviewed for this study. It was seen that in most ways this sample did not differ markedly from the much larger sample in the DSS/PSI surveys. Apart from the fact that the lone parents in this sample had been lone parents for longer on average than those in the DSS/PSI survey, the only other significant difference was in terms of housing. This was due to the method of sample selection which unfortunately meant that owner occupiers could not be included in the study.

The chapter has also provided an account of the routes by which the lone parents came to be in receipt of Family Credit. This account indicated that the employment and benefit experiences of the sample varied considerably prior to their being on Family Credit, and that these differing experiences could in large part be explained by whether or not the lone parents had been in employment at the time they became lone parents and whether or not they had experience of part-time work if they had claimed Income Support in the past.

Lastly the chapter considered the employment and benefit statuses of those members of the sample who were reinterviewed. It found that many of the lone parents had undergone considerable changes in their employment and benefit experiences since their first interviews. Although the majority of those who were reinterviewed were still in employment and claiming Family Credit, the circumstances of those 10 people, a quarter of the original sample, who were no longer claiming Family Credit are interesting. Seven of these ten had not improved their position since they were now claiming Income Support or in one case disability benefits. Five of these were no longer working at all although two still maintained a foothold in the labour market.

The other three who were no longer receiving Family Credit had fared better. One had become a student and was, therefore, expecting to become independent of income related benefits once she gained employment after

completing her course. One had got back together with her husband and become part of a two earner household. Only one person, however, had succeeded in becoming independent of income related benefits while remaining a lone parent. The second interviews were conducted only a year after the first ones and so it is possible that more members of the sample might have become independent of Family Credit had there been a longer time span between interviews. Also, it is possible that some of the people who were not reinterviewed may have succeeded in becoming independent of Family Credit.

The latest study by the DSS/PSI suggests, however, that relatively few lone parents succeed in achieving financial independence. Bryson and Marsh interviewed 1002 families who had left Family Credit in 1993. They found that while two thirds of couples had improved their positions by raising their earnings by changing jobs or becoming a two earner couple, only one fifth of lone parents had done this. Indeed half the lone parents, a third of couples, had fared badly in that they had gone onto Income Support through leaving their jobs, usually involuntarily, or through working shorter hours (Bryson and Marsh, 1996). Considering the ultimate aim of Family Credit is to float families off benefits and into independence, these results would suggest that in the case of lone parents the policy is not achieving success. This issue will be discussed at greater length in later chapters.

This chapter has provided an introduction to the sample and has provided important background information in terms of the chapters which will follow and which investigate the employment decision making, transition to Family Credit and employment perceptions of the sample.

Chapter 5 Employment decision making

It was seen in Chapter 3 that employment decision making was one area this study intended to investigate. In particular the research was designed to answer certain questions connected with the area of decision making: What employment decisions do lone parents make? What factors do lone parents take into account when making employment decisions? To what extent are lone parents' employment decisions based upon financial calculation? This chapter and chapter 6 seek to answer these questions.

This chapter investigates the decision making processes which led to the lone parents being in employment of 16 hours or more and in receipt of Family Credit. From the accounts given by the respondents it appeared that they made their employment decisions in different ways. The first part of this chapter discusses their employment decision making using a threefold classification based upon the extent to which their decisions were pre-planned. It then considers which factors were influential in accounting for their employment decisions, and considers the prevalence of both economic and non economic factors. It then discusses the decision making of those who had previously claimed Income Support in more depth, by discussing their perceptions of the incentive/disincentive structure on Income Support. Lastly it considers the extent to which the lone parents' employment decisions were based upon financial calculation.

Approaches to employment decision making

In Chapter 4 it was seen that the lone parents came to be in receipt of Family Credit in a number of different ways. The employment decisions that they had made had varied considerably, therefore. Some had returned to the labour market when they still lived with their ex partners and claimed Family Credit once they became lone parents. Their employment decisions differed in many ways from those lone parents who had made the transition from Income Support to Family Credit. The employment decisions of the ex-Income Support recipients also varied, however. Some did not

work at all whilst claiming Income Support and their decisions centred around reentering the labour market. Others had worked part-time for some or all the time they had been on Income Support and their decisions involved changing their job to one where they could work longer hours. A couple of people did not even do this, they had decided to take part-time work whilst on Income Support and made no further employment decisions. They ended up on Family Credit, however, because they were affected by benefit changes in April 1992.

If the actual employment decisions made by the lone parents varied, so too did the ways in which they made their decisions. From the accounts given by the respondents it emerged that there was considerable variation in terms of how far they had actually planned to work and to claim Family Credit. While some of them had clearly planned to be in this position and had taken conscious steps to reach it, others appeared to have ended up working and claiming Family Credit almost by accident. In order to account for this variation I found that the lone parents could be distinguished according to how far their employment decisions had been pre-planned. On this basis I concluded that some of them had taken a planned approach to employment decision making, some a semi-planned approach and others an unplanned approach. These different approaches will be considered in turn and the employment behaviour of some of the lone parents will be described in order to illustrate each one.

1) A planned approach to employment decision making

The respondents were deemed to have taken a planned approach to decision making if they had clearly identified what their employment aims were and made definite plans towards achieving these aims. They often had some sort of overall employment plan which they might have been gradually working towards. They had worked out exactly what they wanted to do in terms of employment and benefit receipt and had often considered a range of alternatives before arriving at their decision. They were likely to have engaged in at least one method of job search, often more, with local papers and job centres being the most widely used. If they needed to arrange childcare while they were working they had normally found someone to

look after their children before they started to look for a job. By this definition, 14 of the 40 respondents assumed this kind of approach to decision making. Thirteen of these were ex-Income Support recipients. Tania Patton and David Wright are two respondents who adopted such an approach:

a) Tania Patton had withdrawn from the labour market when she had her first child and did not work while she lived with her husband. When she and her husband separated she claimed Income Support and for the whole time she was on Income Support she worked for a few hours a week "to earn the extra bit of pocket money you're allowed on Income Support". She said this extra bit of money was, however, never enough and that she had always planned to come off Income Support when her children were a bit older and she could work more hours. She said her circumstances were such that she had no choice but to claim Income Support while her children were young when she could not work more than a few hours a week. Income Support receipt was then necessary at the time, but "I always knew what road I was going on".

Once her children were a bit older she was able to work more hours and decided to look for a job where she could claim Family Credit. She had read leaflets about Family Credit and was convinced she would be much better off claiming it than she was on Income Support. She did not attempt to work out whether she would be better off because she said she knew she would be. She was not worried, therefore, about the financial implications of moving off Income Support.

Although her children were now older they were still at primary school and so she said the amount of hours she could work was still restricted, although her mother was available to look after her children if necessary. She said she had to work at least 24 hours a week, however, in order to claim Family Credit. She had decided that she wanted to be a home help because the hours would be ideal for her. She put her name down for this but as there was a long waiting list decided to look for something else in the meantime. She visited the job centre and looked in the local papers for about two weeks until she found a bar job which had suitable hours. She

applied and got the job. She claimed Family Credit while she worked there for about a year. She was then offered a job as a home help and gave up her bar job to do this.

b) David Wright worked full-time up until he and his wife separated when he was awarded custody of his three year old son. Once he became a lone parent he decided that it would no longer be viable to work full-time and decided instead to look for a job with part-time hours where he could claim Family Credit. He said he wanted to continue working for financial reasons, although he also said he was aware that it might not be worth his while working. Because he had always worked, however, he said he had not really given any thought to the option of giving up work completely and claiming Income Support. He said he had attempted to work out how much better off he would be by working and claiming Family Credit compared to not working at all, but said he found this very difficult.

He said he and his ex wife were still on amicable terms and she was willing to look after his son while he worked. He, therefore, began to look for employment of 16 hours or more. He phoned several hospitals and asked if they had any vacancies and managed to secure a job very quickly as a domestic. He said he would have taken any job so long as it paid at least £3 an hour. He claimed Family Credit and stayed in this job for six months. He did not like the job, however, and decided to look for something else. He found another job as a laundry worker in a different hospital and moved to this job, still claiming Family Credit.

2) A semi-planned approach to decision making

The respondents were identified as having taken a semi-planned approach to decision making about employment if they had obviously attempted to make some kinds of decisions, but if these decisions and the means of achieving them were not so well clarified or so well planned as those made by the respondents described above. They had normally decided that they wished to work but often this was only because they felt there were no alternatives. Unlike those who had taken a planned approach and had

considered a range of potential employment options and decided that employment of 16 hours or more combined with receipt of Family Credit was the most appropriate, these respondents had not considered their employment options in as much detail and none had considered the possibility of claiming Family Credit. Their job search efforts were also normally less extensive. Fifteen respondents had taken a semi-planned approach towards decision making. Thirteen of these were ex-Income Support recipients. Fiona O'Connor and Natalie Mason were two respondents whose employment behaviour corresponded to this definition:

a) Fiona O'Connor had worked the whole time she had lived with her husband. Most of the jobs she had had were part-time, but she was working full-time when she and her husband separated and continued to work full-time when she became a lone parent. She said she never considered giving up her job

"I wanted to get on, I couldn't stand not working. I was brought up in a family where you were always expected to work".

Her two young children were cared for by a childminder while she was at work and she applied for Family Income Supplement in the hope of being able to receive extra help once she was a lone parent. She found, however, that childcare costs were not taken into account when assessing Family Income Supplement so her earnings took her just outside of eligibility. She continued to work full-time for a couple of years, firstly in this job and then in a couple of other jobs and did not claim any income related benefits. After this time, however, she said she was suffering from stress which had been brought on by childcare worries, not least by the fact that she was finding it increasingly difficult to pay for childcare out of her wages. She, therefore, decided to give up her job and claim Income Support.

She remained on Income Support for six months until her health recovered but said she only ever saw it as a temporary situation. When she felt better she started looking for work again, basically because she felt she ought to. She looked mainly in local papers for office work. She said it took her five months to get a job but that for most of this time she was not really looking for work because she was enjoying the rest on Income Support. The job she

got as a pharmacy technician was the first she had actually applied for. She said she knew because of the hours and wages that she would be able to get Family Credit this time but said she had not actually planned to get a job where she could claim. She said she had attempted to work out how much better off she would be by working and claiming Family Credit but was not worried about the financial implications of returning to work because she assumed she would be better off, particularly as her children were now both at school and she no longer had to worry about childcare costs.

b) Natalie Mason said her husband had left her when he found out she was pregnant, as a result of which she became ill. She said she moved back in with her parents and gave up her full-time job several months before her baby was born. Her situation was described as being unusual in chapter 4, since for the whole time she was out of work, including six months after her baby was born she received no benefits at all apart from Child Benefit. She said she had not applied for Income Support for moral reasons,

'I wouldn't even accept milk tokens. I didn't want to accept money, it's against my principles, you should only accept dole money if you're really desperate.'

Because she considered it to be wrong to claim benefits and did not wish to continue relying on her parents for financial support, she decided to look for work again once her son was a few months old. She said she thought work was her only option and believed she was lucky because her mother was able to look after her baby.

Natalie's job search efforts were fairly limited. She asked a relative who worked at a hospital to look out for vacancies on the job board. She was soon informed of a domestic's job which she applied for and got. She said she would have taken any job for any amount of wages because financial matters were of no importance to her. She had no idea that there were benefits available to top up low wages and did not, therefore, look for a job where she could claim Family Credit. She had worked for just over a month when an acquaintance told her about Family Credit and mentioned she might be entitled to it as she was only working part-time. She then applied and received it. After working as a domestic for six months she applied for

a job as an auxillary nurse in the same hospital and got the job. This job was for less hours and she continued to claim Family Credit.

3) An unplanned approach to decision making

The respondents were identified as having taken an unplanned approach to employment decision making if they had not made any conscious decisions about employment. By this definition 11 of the respondents had taken an unplanned approach to employment decision making. Eight of these had never claimed Income Support. These respondents had ended up in employment as a result of what Jane Millar termed 'opportunity factors' (Millar, 1989). Most often they had been offered a job which they had taken, but they had not been looking for a job and had not even decided that they wanted to work beforehand. Issues such as childcare and the financial implications of working were not considered until after the respondent had been offered a job, if at all. Yvonne Field and Samantha Millar were two respondents whose employment experiences fitted this definition:

a) Yvonne Field had by her own admission never made any decisions regarding employment. She gave up work for many years when her children were born and said she had given no thought at all to the idea of going back to work until she was offered a part-time job by her local chemist one day. Yvonne was still with her partner at this time and her children were at school so she was able to take the job, although she said she would not have taken it had it paid bad wages.

When she and her partner separated she said her employer asked her if she wanted to take extra hours so she could claim Family Credit, so she took the extra hours and claimed it. She said she had never thought about the possibility of giving up work and going onto Income Support, or of continuing the job and claiming Income Support. She said she made no attempt to work out how much better off she would be by claiming Family Credit, although she said she was aware that it might not be worth her while working.

b) Samantha Miller was not in employment when she and her partner separated. On becoming a lone parent she claimed Income Support and continued out of work. She said she had never really thought about getting a job but she usually looked briefly at the job adverts in the paper and one day saw a job that she thought sounded quite interesting. She said she did not think too much about it but applied and got the job "it all happened in a day really". She had accepted the job before giving the idea any real thought and had to arrange afterwards what to do about childcare and what the financial implications of such a step would be. She arranged for her friend to look after her youngest child. Her older children were at school while she was at work.

She said she knew about Family Credit and once she got the job she realised she would be able to claim it, although she said she had not given any thought to the matter beforehand. She said she would not have worked for less than £2 an hour. Once she had accepted the job she said she attempted to work out how much better off she would be by working than she had been on Income Support.

These accounts illustrate the different approaches to decision making which I have outlined and show that some people did not make any decisions about employment at all, while some made very definite decisions. The third category was comprised of those people who had made some decisions but were not so clear regarding their specific employment aims as those in the first group. For example, they had not planned to claim Family Credit and their methods of job search were less extensive. There was some link between what kind of decision making approach was taken and whether or not a lone parent had previously claimed Income Support. All but one of those who had taken a planned approach were ex-Income Support recipients while the large majority of those who had made no decisions had never claimed Income Support.

Factors influencing employment decisions

It was possible to identify seven main factors that were important in influencing the employment decisions of the sample. These were:

- 1) Financial incentives
- 2) Perceptions of Income Support
- 3) Family Credit as an incentive
- 4) Children's age
- 5) Boredom and other social factors
- 6) A general desire to work
- 7) A wish to be independent

The first three factors might loosely be defined as economic factors, the other four as social or cultural factors. Sometimes, however, as will be seen, Income Support and Family Credit did not always act as economic incentives. The seven factors will be considered in turn:

- 1) Financial incentives

Less than half, 18 of the lone parents said that financial incentives had influenced their employment decisions. Those who had claimed Income Support before were slightly more likely to say that financial factors were important. This is not surprising considering they had often had to manage on low incomes for several years. Indeed some of those who had claimed Income Support mentioned financial factors in connection with the fact that they had been unable to manage on Income Support. Those who had taken a planned approach to employment decision making were far more likely to have mentioned financial factors, with more than three quarters of them having done so. Again this is not surprising since someone who has consciously planned a particular employment decision is more likely to have taken financial considerations into account. In contrast those who had made no clear employment decisions were the least likely to say that their employment behaviour had been affected by financial considerations.

Three respondents claimed that their employment decisions were based purely on financial considerations. David Wright who was mentioned above said he only wanted to work because he needed the money. Paula Lawson similarly stated that the only reason she had decided to come off Income Support and claim Family Credit was "because I knew I'd be better off".

For most of those whose employment decisions were affected by financial incentives, however, money was one of several factors taken into account. Some mentioned more than one factor as being influential but stated that money was the most important. Claire Marshall said, for example, "money was the main reason", and Susan Wood said "I needed the job for the money, money was the main incentive". Others who mentioned a range of factors made no attempt to prioritise them, however. The following quotes are examples of what some respondents said about financial incentives:

"I needed the money. I know they pay your rent on Income Support but it's not enough to live on" (Lisa Jackson)

"I felt the money on Income Support wasn't enough to meet my needs. I wanted my son to have better" (Deborah Morris) and

"When my daughter left school I lost the money for her. She got a grant but I couldn't take that off her. I had to make the money up so I decided to try Family Credit" (Gail Pollock).

While financial incentives were undoubtedly important in accounting for some people's employment decisions they were very rarely the only influence. Indeed more than half the sample said they had not taken financial considerations into account at all when making their decisions.

2) Perceptions of Income Support

Nine people mentioned that Income Support had directly influenced their employment decisions. It appeared, however, that Income Support indirectly influenced the employment decisions of many more of the respondents. The nine who specifically stated that Income Support had affected their employment decisions, had all claimed it in the past. It is likely, however, that negative perceptions of Income Support also influenced the decisions of some of those who had never claimed it. Natalie

Mason who was described above, said, for example, that she would never have claimed it. Because she had no intention of claiming out of work benefits, her employment options were, therefore, limited. As she stated herself, she had no choice but to work. As such, her opinions of Income Support influenced her employment decisions. Several other respondents who had never claimed Income Support also said they would never consider claiming it, so their employment decisions may also have been influenced indirectly by their perceptions of it.

Those who had claimed Income Support and said that it had an impact upon their employment decisions had varying perceptions of it. Some viewed it as an incentive to work. In some cases it was viewed as a financial incentive in that work would secure people a better level of income than that received on Income Support. For others the incentive was not financial. They wanted to move off Income Support because they disliked being on it, rather than because of the low level of income they received while on it. The following quotes are examples of the way Income Support affected employment decisions:

" I was getting in a rut on Income Support, borrowing money and everything. I had to come off it and once my daughter was in nursery I had the chance to do so" (Louise Buckley)

"At first I felt I wasn't on Income Support out of choice....but I didn't want to stay on it, it's not enough to live on" (Christine Clark)

"I never felt I was getting anywhere while I was on Income Support, I didn't want to be on it. I was also working as a waitress on the side and I was worried about getting caught" (Janet Grant).

Two respondents were forced to make employment decisions when they were no longer able to claim Income Support. Deborah Morris was caught working on the side and her benefit was stopped immediately,

"I had no choice I had to come off Income Support because I was caught working on the side. The man from the DSS who came round told me to claim Family Credit, so I got another job to make up the hours".

Lisa Jackson was also compelled to work after discovering her benefit payments had been reduced:

"My brother died and left me too much money to claim Income Support and even though I'd spent it they wanted receipts to see what I'd spent it

on and other stuff which I didn't have. They said they'd only give me £12 a week so I had to get a job, I had no choice".

These quotes illustrate that lone parents are often forced to make employment decisions which they might not otherwise have made. Both these women had no intention of coming off Income Support until they were forced to do so when their benefit ceased or was reduced. Some of those who said they were unable to manage on Income Support also talked of being 'forced' to work and come off Income Support for financial reasons. Lone parents do not, therefore, always necessarily 'choose' to work, sometimes work is forced upon them.

Income Support affected the employment decisions of Helen Cunningham and Ruth Mackenzie in a different way. They had decided that they wished to work but wanted to work part-time and remain on Income Support. They did not wish to move off Income Support because they were worried they might lose out financially by doing so. They wished to retain their entitlement to full Housing Benefit and, therefore, looked for jobs of less than 24 hours a week. They were, however, forced to come off Income Support and transfer to Family Credit when the hours were changed in 1992.

3) Family Credit as an incentive

Family Credit only affected the employment decisions of 11 members of the sample. They had all taken a planned approach to decision making and 10 had previously claimed Income Support.

They all said Family Credit had played an important part in their employment decisions and that they had specifically wanted to get a job where they could claim it. Only one said she would have considered working had Family Credit not been available. For David Wright who was described above, Family Credit was very important in enabling him to reduce his hours of work when he got custody of his young son. For the remaining 10, Family Credit was often crucial in enabling them to come off Income Support as the following quotes illustrate:

"... Family Credit was very important. If it wasn't for that I would have had to find a job which I wasn't capable of doing in order to earn enough money, and I'd have no chance of doing that. If it wasn't for Family Credit, I wouldn't have been able to think about coming off of Income Support, I'd still be on it now" (Janet Grant)

"I worked and claimed Income Support at first because it was before the 16 hour change but I knew it was coming. That was the reason I took the job, and certainly those months were very difficult. When it came, Family Credit enabled me to stay in employment, I would certainly have given the job up otherwise" (Caroline Adams) and

"Yes it certainly encouraged me. I don't think I could have worked without it I purely wanted a job where I knew I could get Family Credit" (Tania Patton).

Although Family Credit was normally viewed as a financial incentive to work, this was not always the case. A couple of people were not concerned about the financial benefits to be derived from Family Credit. Instead they saw it as a way of enabling them to move off Income Support which they disliked being on.

Family Credit played no part in accounting for the employment decisions of the majority of the sample. Some acknowledged that it was now a big help, or that it had enabled them to stay in employment, for example, when they had become lone parents, but it had not affected their employment decisions at the time. They had either planned to work anyway and had not thought about the idea of claiming Family Credit, or had been forced to claim it.

4) Children's age

Twenty two of the respondents made reference to the age of their children when accounting for their employment decisions. 18 had claimed Income Support before. It is perhaps surprising that so few of those who had not claimed Income Support should have mentioned the age of their children. As was shown in the last chapter, however, many of those who had never claimed Income Support had returned to work when still with their partners, so their children's age would not have been such an important factor. Most had children of school age when they went back to work or were able, if necessary, to rely on partners to provide childcare. Those who had taken a planned approach to employment decision making were most

likely to mention their children's age as having influenced their employment decisions.

Many of those who had claimed Income Support said they had felt it was necessary to claim while their children were young. When their children got older they were able to work and consider coming off it:

"Once my daughter was in nursery I felt it was the right time to go back to work but I wanted a job that would fit in with school hours" (Caroline Adams) and

"The children were getting older so I was able to work" (Carol Baxter).

Some people said they had not wanted to work while their children were younger because they felt they should be with them. Others, however, appeared to view the situation more in terms of childcare. They could not work until their children were at school because they had no one to look after them and could not afford childcare. Indeed several of them said that once their children were at school they had been able to look for employment which fitted in with school hours.

For a few people, children's age was mentioned in connection with boredom. They said that since their children had gone to school or nursery they had become fed up at home. Boredom is discussed below.

Even some of those who had worked since their children were born said their employment decisions had been influenced by the age of their children. While they had been able to work part-time, their employment choices had been constrained while their children were younger. Zoe Smith, for example, had always worked while her children were younger when she claimed Income Support. She said, however, that she had had to wait until they were teenagers before she could do nursing which entailed working shifts and was not feasible when you had young children.

So the age of children clearly influenced the range of employment options available to the lone parents. Although 18 people did not mention their children's age, it is likely that for some, particularly those who had given up work when they had their children, the age of children had affected their employment decisions at some point in the past.

5) Boredom and other social factors

Twenty one of the respondents said they had decided to work because they were bored, or because they wanted social contact or stimulation. 17 of these were ex-Income Support recipients. This is perhaps not surprising because many of the respondents were probably quite likely to have become bored or socially isolated after spending many years on Income Support.

Most people who mentioned boredom or other social factors as a reason for wanting to work said they were bored or fed up staying in the house or that they wanted to get out and meet people. The following quotes are examples of the kind of things people said:

"I'd get bored and fed up otherwise. I didn't want to sit around and do nothing" (Sheila Dickson)

"I needed a life outside of the home" (Gail Pollock)

"...for my own sanity and for adult conversation. You go crazy if you don't speak to anyone except your kids all day long" (Tania Patton) and

"It was pure boredom. When my son went to school I had nothing to do" (Gemma Lawrence".

For some people boredom and other social reasons appeared to be the most important factor in accounting for their employment decisions. For others, boredom or other social factors was only one contributory factor.

6) A general desire to work

Eleven respondents said they wanted to work simply because they enjoyed working. Eight of these had claimed Income Support before, and had often worked while on it. Those who had not made any specific plans regarding employment were the least likely to say they wanted to work because they enjoyed working.

The following quotes illustrate the kind of things the respondents said:

"I've always worked, I just like working" (Theresa Vance)

"I've always been used to working, it's what I've always done" (Lisa Jackson) and

"I've always worked, I took six months out once and it was really degrading, I didn't bother putting makeup on or anything in the mornings, it took a big chunk out of me, I had to go back so I gave it a try" (Zoe Smith).

7) A wish to be independent

Eight of the sample said their employment decisions had been influenced by their wish to be independent. Six of these had claimed Income Support before.

The following quotes are examples of what they said:

"I also wanted to get back to prove I could lead my own life, to have a go at playing the Miss Independent bit" (Louise Buckley) and

"Independence was important, I like to be my own person and earn my own money" (Donna Kelly).

For some respondents, the wish to be independent was connected with perceptions of Income Support. They wanted to be independent of Income Support, to not have to claim out of work benefits. Others made no mention of Income Support, rather they wanted to prove to themselves and to everyone else that they were able to support themselves and their children.

These then were the different factors which influenced the lone parents' employment decisions. The different factors were of varying importance to individual respondents and overall some factors were more important than others. Individuals have their own combination of reasons for making the employment decisions that they do. What was apparent when looking at the respondents' accounts of the factors which influenced their employment decisions was that those who had taken a planned approach to decision

making were more likely to have been influenced by a wider range of factors.

The prevalence of economic factors in accounting for employment decisions

Most of the respondents, 25 of the sample, had taken economic and non economic factors into account when making their employment decisions. Just three said they had made their employment decisions purely on the basis of economic considerations. The other 12 made no reference to economic factors at all, they said they were influenced only by social and cultural factors. The extent to which economic factors had been a priority when making employment decisions varied according to whether or not the respondents had claimed Income Support before as the following table indicates:

Table 5.1 Factors taken into account when making employment decisions

Factors Taken into account	Ex IS recipients		Non ex IS recipients		Total
	n	%	n	%	n
Both economic + non economic	22	(76)	3	(27)	25
Economic only	2	(7)	1	(9)	3
Non economic only	5	(17)	7	(64)	12
Total	29	(100)	11	(100)	40

On the whole those who had claimed Income Support before were far more likely to have taken economic factors into account when making their employment decisions. This might be expected since someone who has been living on a low income like Income Support would be likely to want to make sure they were not going to be worse off by moving off it. Five ex-Income Support recipients claimed, however, that they had not taken financial considerations into account at all when making their employment decisions.

Those lone parents who had never claimed Income Support were far less likely to stress the importance of economic factors in accounting for their employment decisions. Only just over a third of them said financial factors had played any part in influencing their decisions. This may be because many of them returned to work when they were still with partners and so the economic implications of a decision would not have been so important to them because their wages would not have been the sole income of the household. Also, as was stated earlier, those who had not claimed Income Support were much more likely to have ended up in work without having made any plans to do so beforehand and so financial issues would not have been considered until after someone got a job, if at all.

Income Support: incentives/disincentives to work

The issue of incentives and disincentives to work is a particularly complicated one for lone parents. The above discussion showed that incentives to work for lone parents can often be non financial as well as financial. While financial incentives were clearly important for some, for others the chance to relieve the boredom of staying at home or to prevent social isolation were important incentives in themselves. This was often connected with the fact that children were getting older and the feeling of boredom was greater than it had been when children were younger, when people felt they had more reason to be at home. Caroline Adams said, for example

"Once my daughter went to nursery I felt redundant at home....I just felt it was the right time to go back to work".

This quote is typical of what many of the respondents said. They appeared to feel that once their children were no longer at home all day their childcare role was lessened giving them more opportunity to develop other areas of their lives, in particular employment.

For some of the people interviewed such social and cultural considerations were sufficient in themselves to provide an incentive to work. For others there was an additional financial incentive to work. Some ex-Income Support recipients said, for example, that they were finding it difficult to manage and hoped they would be better off if they went to work. For some of these people Family Credit was an additional incentive. They expected to get a job in which they could claim Family Credit and expected to be better off by doing so. For others Family Credit was not necessarily a financial incentive, rather it was seen as a means of becoming independent of Income Support. A couple of respondents who had been working on the side said they thought Family Credit would be a safer form of income because it would give them "peace of mind", although claiming it might actually entail a drop in disposable income.

The respondents viewed the various incentives to work in their own personal way, therefore. For some financial incentives were of paramount importance, for others social incentives were of more importance and financial incentives were either secondary or not considered at all when employment decisions were made. The incentives to work were certainly different for most of those who had not been on Income Support. Many of these were still living with partners when they went back to work and had relatively stable household incomes, so financial incentives were far less important than they were for those who had been on Income Support. Their decision to work was normally unplanned in that they had ended up in work after having been offered a job or told about a job and had not given prior consideration to the costs and benefits of working. For such people the decision to work was relatively straightforward in comparison with some of those who had been on Income Support who took a planned

approach to decision making and assessed all the various incentives and disincentives beforehand.

Although all the people in the sample were in work and, therefore, must have decided that there were sufficient incentives to work, the interviews were also designed to see whether those lone parents who had claimed Income Support had identified any potential disincentives to work. Following questioning on this subject, it emerged that the majority had recognised that there might be disincentives involved in going to work and coming off Income Support. A number of people stated that having to pay rent if you came off Income Support was a disincentive to work. Others mentioned the loss of passported benefits like free school meals as being a disincentive. Having to pay childcare costs if you went to work, having to wait for wages and benefits in the first few weeks and the fact that life was generally less complicated on Income Support were other disincentives which were identified. The following quotes illustrate the kinds of worries people had about moving off Income Support.

"... it's less complicated being on Income Support. You don't get hassles with your rent and poll tax like you do when you're at work" (John Finlay)

"... you get more money on benefits you could apply for loans and things and you didn't have any rent to pay" (Frances Hall)

"It would have been easier to stay on Income Support because I would have been better off due to the fact that I had to pay a childminder. I was earning 28p too much to claim Family Credit but they didn't take what I was paying to the childminder into account which made me worse off. Plus I lost free school meals, dental treatment, prescriptions and everything else" (Fiona O'Connor) and

"... when I finally took the plunge and decided to go to college I was really panicky because I'd got my rent paid and free school meals before but now its down to me to pay everything and its scary at first, especially the rent side of things." (Zoe Smith)

Sixteen of the 29 ex IS recipients said they thought that the longer you were on Income Support the harder it was to move off. The following quotes are examples of what some of them said:

"Yes because you get more and more expenses and you realise how much of a wage you'd need to be able to earn to move off and its frightening, what with the rent and everything. But you get less money as your

children get older so your Income Support goes down anyway." (Janet Grant)

"Yes I can see that you might get into a rut. They don't make it easy for you. When I wanted to go back to work I looked for help with childcare but I couldn't get any. I wanted to work full-time but I was just over the limit for Family Credit so I couldn't get that and I couldn't get anything towards childcare. The only thing I could get was a bit of Housing Benefit. Apart from that I couldn't get any help at all" (Fiona O'Connor) and

"Yes because the rent's paid, the rent is your biggest worry. The only peace of mind I had on Income Support was I knew I always had a roof over my head, but apart from that I couldn't manage." (Gail Pollock)

Although these respondents recognised the kinds of disincentives to work which are faced by someone on Income Support, it is interesting to note that two of them qualified their answers. While Janet Grant points to the problems of the unemployment trap, she says that you receive less money as your children get older. So, although when her children were younger it might have been viable for her to stay on Income Support, by the time she went to work, the incentives outweighed the disincentives. Similarly Gail Pollock talks about the problem of paying rent, which was a theme echoed by many of the respondents, but she goes on to say that although she got her rent paid on Income Support she was unable to manage and so this disincentive was insufficient to make her want to continue claiming it.

Some people had clearly felt that remaining on Income Support was at one time the best option open to them. This is because the disincentives to work are greater at particular times, for example, when children are younger. As children get older the disincentives weaken for some people. Asked whether they had ever thought it might be easier to stay on Income Support some of the respondents said when their children were younger they had thought it was easier to stay on it, but they no longer felt this was true.

Although some people recognised that there were disincentives to moving off Income Support and were worried about doing so, others felt there were no disincentives at all and had no worries about moving off. There was, therefore, a difference in the way people perceived the various incentives/disincentives to work when they were on Income Support. Some

were unaware or only slightly aware of any disincentives, only incentives were important to them. Others were acutely aware of the disincentives and their decision involved weighing up the incentives and disincentives. Those individuals who adopted a planned approach to decision making were on the whole more likely to have been aware of the disincentives to work than those who adopted a less planned approach.

Nineteen of the respondents said they had thought it might not be worth their while working. Although this is quite a high number, again many of the respondents went on to qualify their answers. The following quotes are example of the kind of things they said:

"Yes I did think this until I found out about it but then I found out that it would be worth it" (Carol Baxter)

"Yes until I really thought it all out. You think it might not be because you'll have to pay rent and everything" (Gail Pollock)

"Yes all the time. And its true you aren't any better off but it depends on your outlook, meeting people and sanity were what were important to me" (Rachel Stevenson) and

"Yes I did and it isn't worth it what with school dinners and everything because before I got them for nothing. Now it costs me £15 a week for dinners and milk" (Samantha Miller)

The first two said they thought it might not be worth while working at first, but had subsequently found out it would be. One had sought advice from the CAB, the other from the DSS helpline. Both had taken a planned approach to decision making and had clearly recognised the disincentives to work but had decided to work once they had established that it was worth doing so. Rachel Stevenson also said she thought it might not be worth her while working but said this was not important to her, that other factors were more important than financial ones. Her response is typical of a number of others who also said they had recognised the potential disincentives to work, but non financial incentives were of more importance to them.

For some of the respondents an employment decision, therefore, involved assessing both the incentives and disincentives to work. Others, however, did not perceive that there were any disincentives and took less factors into consideration when making their decisions. Because the ex-Income

Support recipients in the sample had all moved off Income Support, even those who had recognised the potential disincentives must have decided that it was worth while working or increasing their hours in the end, however. For those who were affected by the benefit changes in April 1992 or who had discovered that they were no longer entitled to full Income Support, this point is, however, debatable.

The extent of financial calculation

According to economic analyses of employment decision making, a rational decision maker would not work or would not choose to work an extra hour unless she knew she was going to be financially better off by doing so. The rational individual would, therefore, attempt to calculate how much she stood to gain by taking a particular employment option. If the individual expected to be able to claim Family Credit by taking a particular employment course, then she would take this into account when making her financial assessment. It has been seen that more than a quarter of the sample claimed not to have taken economic considerations into account at all when making their employment decisions. They had either made their decisions on the basis of social and cultural factors alone or in some cases had never actually made any specific decisions in the first place. As such these respondents did not act in the way predicted by traditional economic theory. Just under three quarters of the sample admitted, however, that economic considerations had influenced their decisions, if only partly. To what extent had these respondents attempted to calculate the financial implications of their decisions?

Those respondents who had claimed Income Support before were asked whether they had attempted to work out how much better off they would be by working. Seventeen of the 29 said they had attempted to calculate this. Of the remaining 12, three said calculation had not been necessary because they already knew or assumed they would be better off. The fact that these three had made a decision knowing or assuming that they would be better off means they may have been acting as rational decision makers in the same way as those who had attempted to make calculations. Only nine of the

ex-Income Support recipients, therefore, acted in a way which might be seen as contrary to that predicted by economic models of decision making.

The other 20 either attempted to make financial calculations or did not make calculations because they assumed they would be better off, so it might be possible to say that they had acted in a way which would support economic models. There are reasons why this was not necessarily so, however.

a) A high proportion of those who said they had tried to work out how much better off they would be said they had found it very difficult to calculate and had been unable to work it out accurately. Gail Pollock said, for example,

"I tried but I was never sure , but I knew I could always go back onto Income Support if I wasn't any better off"

and Gemma Lawrence said

"... it was hard trying to work it out because the rent was the biggest problem. The rent is £156 a month so I knew that at most I would have to earn enough to cover that and all the bills."

It appeared to be very difficult for people to calculate with any accuracy how much better off they would be if they were to take a job which would take them off Income Support. A lone parent who moves off Income Support is likely to receive her income from several different sources unless she can achieve earnings which take her outside of eligibility for income related benefits. Otherwise it is quite possible that she may be entitled to Family Credit, Housing Benefit, and Council Tax Benefit and it will be impossible to accurately calculate how much better off she will be unless she knows which benefits she will be entitled to and how much benefit she will receive from each source. It has already been stated, that many of the lone parents had not expected to claim Family Credit when they decided to work. Indeed some of them did not claim Family Credit when they first went to work because they did not know that they were eligible to claim it. In attempting to calculate whether or not they would be better off by working these respondents would, therefore, have underestimated the financial rewards of taking a job.

Even those who had specifically decided to find a job where they could claim Family Credit were often unsure how much benefit they would actually receive and were, therefore, unable to make reliable calculations. One of the main reasons why people had been unable to calculate whether or not they would be better off was because they did not know how much rent they would have to pay once they were no longer on Income Support. Some, like Gemma Lawrence quoted above, did not realise they would be able to get Housing Benefit if they were working and thought they would be expected to pay full rent. Their calculations would also have underestimated the financial benefits to be gained from working, therefore. One or two people on the other hand, had assumed that they would still be entitled to full Housing Benefit and had, therefore, overestimated how much better off they would be. These issues are discussed in more depth in Chapter 7 where it will be seen that very few people had full knowledge of the range and level of benefits that they were entitled to. It is clear that while many of the respondents had attempted to calculate the financial implications of an employment decision, few had been able to do this with any degree of accuracy. Despite the fact that they did not have accurate knowledge of how they would be affected financially, they had, however, all gone ahead with their decisions.

b) Some people said they had been able to make reliable calculations, sometimes because they had sought advice in order to do so, but a couple went on to say that although they had done this, financial factors were not important to them. Sandra Hill said, for example

"... I worked it out first before I went to work but its more the fact that you're getting out and doing something which is important because you end up getting in a rut. You need to do something to keep your mind alive".

Sandra's case is an example of a limited reliance on calculation. She had made financial calculations but like those who had not done so, was keen to stress that other factors were more important to her. Indeed she stated, as did a number of other respondents, that even if she had worked out she was not going to benefit financially from working, she would still have gone ahead.

c) Two respondents had calculated that they would be worse off by working but had still decided to go ahead. Donna Kelly, for example, had worked out that because she would have to pay a childminder to look after her son, she would actually lose out financially by working. Despite this knowledge, however, she had still decided to take a job which took her off Income Support. She said

"My wages don't even cover the amount of Income Support I was getting and the Family Credit pays the rent, I feel as though I'm working to pay the rent. The extra money I get goes to the childminder. I knew I'd be worse off but I still wanted to work."

There were also a couple of people who had been working on the side while on Income Support, for whom moving onto Family Credit necessitated a drop in income. They had decided to claim Family Credit, however, because they were worried about getting caught working on the side. For some individuals, therefore, employment combined with Family Credit may be preferable to Income Support receipt even if it does not result in financial reward.

d) Of those who had attempted to make calculations, most were concerned only that a decision to work or to work longer hours would not leave them any worse off. No one had, for example, worked out that they would have to be better off by a certain amount before they would consider working. So long as their calculations showed that they were not going to be any worse off then they were prepared to work or to increase their hours of employment.

The points considered above would seem to indicate that the lone parents in this sample only relied on financial calculation to a limited extent when making their employment decisions. This is further substantiated by the fact that only 18 of the sample said there was a minimum amount of wages they would have considered working for. Those who did state a minimum wage tended to give an hourly wage below which they would not have been prepared to work. The figure given was usually fairly low, £3 an hour being the most common answer. Only three people gave a figure of more than £3. This is important considering that many of the respondents had

decided to work without expecting to claim Family Credit to top up their wages.

While some of those who did not state a minimum said they would have worked for anything, others said it did not matter what their wage rate was because they knew they would be able to claim Family Credit to top it up. John Finlay said, for example

"Not really, I'm getting a low wage now, less than £3 an hour but I knew that I'd get Family Credit to make it up so it didn't really matter."

If someone was expecting to claim Family Credit, they did not need to worry about wage rates. Hours of work were often more important than wage rates because people knew they had to work a certain number of hours in order to be eligible for Family Credit. Gail Pollock said, for example

"The wages didn't matter it was the hours that were most important , so long as I got 16 hours."

Indeed, a few people were fairly calculative in that they had decided to work the minimum hours necessary to claim Family Credit because they felt it would not be worth their while to work more if they could claim by working only 16. Janet Grant and David Wright both said there was no point working more than 16 hours because you received most benefit if you worked the least number of hours. Their opinion was certainly, however, a minority one. Although quite a few members of the sample had looked for jobs for the minimum 16 hours, this was normally for childcare reasons rather than because they felt they would not benefit from working longer hours. None of the respondents who worked more than 16 hours said that they would like to reduce their hours to 16 if this was possible. Some said indeed that they would prefer to increase their hours.

Overall there were very few instances of the lone parents in the sample having applied economic calculation in anything other than a minor capacity. It did appear, however, that some of the respondents had remained on Income Support for some time in the past because they had recognised that it would not have been financially viable for them to move off. It is difficult to separate social and cultural reasons for remaining on Income Support from economic reasons but many of those who had been

on it may have wanted to stay on it at the time because they felt they should be at home with their children or because they had no one to look after their children. A few respondents did state, however, that they had remained on Income Support while their children were younger because they were financially better off doing so. Caroline Adams related, for example, how she had been offered her old job back when her daughter was a year old, but after going to the CAB and discovering that it was not worth her while working she had decided to postpone any decision to go back to work until her daughter was in nursery. Similarly Deborah Morris said

"Well I worked out once that it wouldn't be worth working for anything less than between £200 and £250 a week but I had to because I got caught working on the side and had to come off Income Support".

Like a number of other respondents she had decided at the time that her best option was to work on the side because it was not worthwhile moving off Income Support. While many of the lone parents' decisions to work or to increase hours so they could move off Income Support may have only been influenced by financial calculation to a limited extent, it would seem that financial considerations may have played a more important role for some lone parents in the past, particularly when their children were young. While most of the lone parents in this sample had decided to work or to work more hours, they might not have necessarily made these same decisions in the past.

Conclusion

In answering the question 'what employment decisions do lone parents make?', this chapter found that the lone parents in the sample had made different types of decisions about employment and some had never made any decisions at all. They could be distinguished according to whether or not they had planned their decisions.

It was seen in Chapter 4 that many of the respondents had considerable employment experience since they had become parents and before they

had claimed Family Credit. Only a small number started their claim for Family Credit at the same time as they reentered the labour market. Most of the respondents had experience of working part-time before claiming Family Credit and more than a third of the sample had worked continuously, normally in part-time employment since they had had their first or only child. The employment decisions which the lone parents made varied considerably, therefore. Some had given up work when they had their families and made a decision to return to the labour market. Many of these were already lone parents and were receiving Income Support. They decided either to get a part-time job and continue claiming Income Support, or to get a job with longer hours so they could move off Income Support. Some were still with partners when they decided to return to work so their decision did not involve benefits until they became lone parents. Some of them then took on more hours to claim Family Credit, others continued working the same hours and claimed Income Support.

Many of those who had never claimed Income Support were already in employment when they became lone parents and were able to continue working and claim Family Credit at this time. A few had to increase the hours they worked in order to do so. More than a third of the respondents who had claimed Income Support were also in employment at the time they became lone parents. These respondents also continued working but were not working enough hours to be eligible for Family Credit and so claimed Income Support instead. On average those respondents who had not claimed Income Support had been lone parents for a shorter time than those who had. Almost half of them had become lone parents since April 1992 and some had, therefore, been able to claim Family Credit due to the reduction in qualifying hours. Many of the ex-Income Support recipients had also been working between 16 and 24 hours when they became lone parents, but all had become lone parents before April 1992 and had, therefore, not been eligible to claim Family Credit.

This shows that the changes to Family Credit and Income Support in April 1992 have been important in enabling more people to claim Family Credit instead of Income Support on becoming lone parents. As more and more women are choosing to, or having to work to supplement the family income, it is likely that increasing numbers will be in employment when

they become lone parents. If they work for 16 hours or more they will, therefore, be able to claim Family Credit instead of Income Support.

The lone parents could be distinguished according to the extent to which they had planned their employment decisions. Fourteen had taken a 'planned approach' to decision making. They had clearly defined what it was they wanted to do in terms of employment. They had considered childcare and financial implications before engaging in job search and specifically intended to obtain a job where they could claim Family Credit. All except one had previously claimed Income Support. Fifteen had taken a 'semi-planned' approach. They had planned their employment decisions to some extent, but had not considered the possibility of claiming Family Credit, were less likely to have thought about childcare and their methods of job search were less extensive.

The remaining 11 members of the sample had taken an 'unplanned approach'. They had by their own admission, not made any decisions about employment at all. Rather their reentry into the labour market was what Jane Millar termed 'opportunistic' (Millar, 1989). They were in employment because they had been offered a job or applied for a job on impulse after seeing a specific vacancy. They had not been actively seeking employment and had not made a definite decision that they wanted to work. They were more likely never to have claimed Income Support.

In answering the question 'What factors do lone parents take into account when making employment decisions?', it was found that the majority of the sample had not taken Family Credit into account when making their decisions and that most people's decisions had been influenced by a wide range of factors including social and cultural as well as economic factors.

Only just over a quarter of the sample said Family Credit had been a factor they had considered when making their employment decisions. All of these had taken a planned approach to decision making and had specifically intended to obtain employment where they could claim Family Credit. The fact that almost three quarters of the sample said they had not been encouraged to work due to the existence of Family Credit, might suggest that reliance on Family Credit as the main encouragement to lone parents

to work is perhaps misguided and that a multi-faceted approach might be more appropriate. This is particularly important when considering the fact discussed below, that the great majority of the lone parents in this sample had not wanted to work purely for financial gain. In consequence, a policy concentrating on financial incentives alone might be too restrictive. This is not to suggest, however, that the changes to Family Credit in recent years should not be seen as a positive step forward.

Almost two thirds of the respondents said they wanted to work for a combination of economic, social and cultural reasons. Only three people wanted to work purely for financial reasons. Most said social and cultural factors like, the chance to meet people, the chance to get out of the house and relieve boredom, or the wish to be independent, were as, if not more important than, the desire for monetary gain. Indeed more than a quarter said they had wanted to work purely for non-financial reasons and that money was not a consideration at all. Overall those respondents who had claimed Income Support before and those who had taken a planned approach to decision making were more likely to have said that one of the reasons they wished to work was to improve their financial situation.

Non-financial factors were very important in accounting for the employment decisions of the sample, therefore. The age of children was particularly important. Many of the respondents said they had been able to go to work because their children were getting older and that employment had not been an option before. A large proportion of these said they would have rejoined the labour market earlier if adequate and affordable childcare had been available.

In answering the question 'To what extent are lone parents' employment decisions based upon financial calculation?', it was found that whilst more than half the lone parents who had been on Income Support admitted that they had attempted to work out whether they would be better off before actually making any definite decisions about employment, in practice, many of them had proceeded with a decision without having full knowledge of its financial implications. Many of them had found it difficult to work out whether or not they would be better off due to uncertainty about what benefits or level of benefits they would receive. As a result

some respondents had gone ahead with decisions without knowing for sure whether they would in fact be any better off. This would appear to confirm the findings of the National Audit Office who stated that it was often difficult for lone parents to work out whether or not they would be better off by working due to the complex calculations involved and the uncertainty of what benefits would be available (National Audit Office, 1990).

Others said they had not attempted to calculate whether or not they would be better off because they either knew or assumed they would be. These respondents had acted on the assumption that the financial implications of an employment decision would be in their favour, but had not attempted to confirm their assumptions through calculation.

Lastly, some people said they had managed to work out whether or not they would be better off, or that they knew more or less what the financial implications of their decision would be by their own calculations. They pointed out, however, that the results of these calculations were not important to them because they did not want to work primarily for financial reasons. Indeed some said they had worked out that they would benefit very little financially from the course they were planning to take, but had decided to proceed anyway.

In this sample then, the lone parents' employment decisions were very rarely the outcome of intricate financial calculations. While financial factors obviously play some part in accounting for the employment decisions of lone parents, this study found, that even where financial calculation is attempted, imperfect knowledge means that its use is at best limited and that for most individuals non-financial factors are as important, if not more important than, financial ones in accounting for employment decisions (McLaughlin et al, 1989, Jordan et al, 1992). Although this study was based on a small sample, it would certainly appear that lone parents do not make their employment decisions in the way economic theory dictates. Rather they take a wide range of factors into account and do not base their decisions upon narrow financial considerations. All the lone parents in this sample were in employment, however, and it might be possible that the reason so many other lone parents do not work is

indicative of the fact that many do apply financial calculation when considering their employment options.

The next chapter continues the theme of employment decision making by examining what plans the lone parents had concerning employment for the future. It also considers what employment changes had occurred or what changes the lone parents were expecting to occur by the time they were reinterviewed.

Chapter 6 Employment change and plans for the future

The last chapter looked at the employment decisions the lone parents had made before they came to be in receipt of Family Credit and aimed to answer three research questions which had been outlined in Chapter three. These were:

What employment decisions do lone parents make?

What factors do lone parents take into account when making employment decisions? and

To what extent are lone parents' employment decisions based upon financial calculation?

This chapter intends to investigate what employment decisions the lone parents had made since being in receipt of Family Credit and what factors influenced whether or not they had made any future plans regarding employment. In doing so it hopes to provide further evidence to answer these research questions, particularly the first two.

Firstly the chapter will consider whether or not the lone parents had any employment plans for the future. For those who did have plans it will discuss what these plans were and whether or not any of the plans the respondents had when they were first interviewed had become reality by the time they were reinterviewed. It was found that some people who did not have any employment plans when first interviewed had made plans by the time they were interviewed a second time and any such changes will be considered. Lastly, the chapter attempts to explain the reasons why some of the lone parents had employment plans and others did not, by examining the various factors which appeared to be influencing their decisions.

Employment plans for the future

Half the sample had some employment plans for the future. The other half did not expect to make further changes to their employment. Those lone

parents who had claimed Income Support before were slightly more likely to have made some sort of employment plans for the future. At the time of the main interviews the respondents expected to do one of the following:

- 1) Leave the labour market
- 2) Seek alternative employment
- 3) Increase hours, gain promotion or look for a better job
- 4) Retain their current employment position

Those who expected to leave the labour market expected to do so in the near future. They all expected to give up their jobs within a year of the first interviews as did those who wished to seek alternative employment. Those who wished to increase hours, gain promotion or look for a better job did not expect to give up their jobs within a year. They did not expect to put their employment plans into operation until some time in the more distant future. The lone parents' employment plans will be considered according to these four categories:

- 1) Those who intended to leave the labour market

Six of the respondents intended to leave the labour market in the near future. Four of these intended to give up work and return to Income Support because they were pregnant. Although all four intended to give up their jobs and claim Income Support, their long term employment plans varied. Sandra Hill only expected to leave work and claim Income Support, she had made no definite plans regarding long term employment aims. The other three had more developed plans. Rachel Stevenson was going to claim Income Support with her new partner who was unemployed. She only intended to leave the labour market for a few months after which she wanted to obtain a job where she could claim Family Credit again while her partner looked after the baby.

Paula Lawson and Carol Baxter also wished to claim Family Credit again. Paula said she expected to claim Income Support until her baby was a year old, after which she intended to get another job and return to Family Credit. Carol's employment plans were the most fully developed:

"I'm leaving in May and then I'll claim Income Support. Hopefully I'll go back to work in September. I can't get maternity leave because I haven't worked there long enough, but hopefully a job will come up in my old department in September. My friend has agreed to look after the baby for me and she doesn't work herself so I'll be able to do mornings or afternoons."

Paula Lawson was not reinterviewed because she had moved. The other three were reinterviewed. They had all given up work and claimed Income Support as they had planned. None had yet returned to employment. Sandra Hill had decided that she now wished to return to work and claim Family Credit again. She was expecting to marry her son's father who did not work due to illness and said he would look after the baby while she was working. She had started to look for a job. Her position was, therefore, similar to that of Rachel Stevenson who was still claiming Income Support with her partner but was looking for employment so that she could return to work and claim Family Credit.

Carol Baxter's baby was six months old when she was reinterviewed. She was still receiving Income Support and had not returned to work as she had planned. She said,

"I'm supposed to be going back, but I've been waiting for a job to come up because I'm wanting a job in the same department I was in before, so I'm waiting on someone leaving. I would have gone back before now otherwise. I was offered a full-time job but I couldn't do that with the baby. I'm only wanting something part-time, but I think something will come up soon."

She said her friend was still going to look after her baby and she hoped a job would come up soon, it was just a question of getting one with the right hours. She said she wanted to return to work as soon as possible, not least because she was finding it very difficult to manage financially on Income Support again.

The other two respondents who expected to leave the labour market were planning to go to college. Helen Cunningham said,

"I'm going to leave the job in September as I'm going to college to do social work, either a two year diploma or a three year degree course."

Since she had been working, she had taken a course in counselling. This had led to her decision to do a course in social work. She also wanted to go to

college because she disliked being on Family Credit, although she said she enjoyed her job. She was not yet sure whether she would take the two or three year course but expected to get a job as a social worker once she had finished the course.

Frances Hall also wished to give up her job and go to college. She disliked her job and disliked claiming Family Credit. Her plans were less developed than those of Helen Cunningham but she was sure she would give up her job within the next six months. She intended to claim Income Support and take a course at college but was not sure which course she would take. She wanted to do something which would increase her chances of getting a better job in the future.

Frances was not reinterviewed because she had moved. It is likely, however, that she did give up her job since her house went with the job. When Helen was reinterviewed she was in the first year of her social work course. She was hoping to take the three year degree course but,

"... it depends how I get on in the exams so I don't know. I am finding it tough though. There's a lot of juggling around finding people to look after the kids and things."

2) Those who intended to seek alternative employment

Two of the lone parents expected to seek alternative employment in the near future. One was David Wright whose situation was discussed in Chapter 5. On becoming a lone parent it was seen that he actively planned to obtain employment in which he could claim Family Credit. He gave up a full-time job and obtained a job as a domestic. He disliked this job and so obtained another job as a laundry worker and continued to claim Family Credit. When he was interviewed, he said he was also unhappy with this job and wanted to look for alternative employment. He had not yet begun looking for another job but expected to do so very shortly. He said he certainly expected to leave his job within the next year. He still wished to work part-time hours and to claim Family Credit and said he thought it might be quite difficult obtaining another job with suitable hours but was confident he would be able to do so within the next few months.

The other person who expected to change jobs was Zoe Smith. She was a student psychiatric nurse and her training was due to be completed a few months after she was interviewed. She had, therefore, been forced to make employment plans for the future. She planned to look for a nursing job when she finished but felt it was likely to take her some time to obtain a job due to the shortage of nursing positions available. She was confident, however, that she would obtain a post eventually.

Both David and Zoe had moved and were not reinterviewed so it is not known whether they succeeded in obtaining alternative employment.

3) Those who intended to increase hours, gain promotion or look for a better job

Three people said they wanted either to work full-time or increase the number of hours they worked in the future. Angela McBride said she was happy with the job she had at the moment but expected to make employment changes when her daughter was older,

"I want to try and get a full-time job when my daughter goes to school, from nine to four or something, but at the moment the hours are suitable here."

Rebecca Quinn said she would also like to get a full-time job

"... to see if I'm any better off. I'd like to get a full-time job in a shop or something but there aren't many full-time jobs in shops anymore."

She said she wanted to work from nine to three but had not yet decided to look for another job.

Ruth Mackenzie also expected to increase the number of hours she worked. She said she was happy with her hours but expected to have to increase them in just over a years time when her son left school. She said she would have to increase her hours so she could earn more wages to make up for the loss of Family Credit.

All three of these respondents were reinterviewed. Angela McBride had since taken a new cleaning job for 10 hours and was claiming Income Support again. She had no further employment plans. Rebecca Quinn had also changed jobs. She had given up the two jobs she had had when first interviewed and had taken a job in a shop for 16 hours a week. She still claimed Family Credit. She also had no plans to make further employment changes. Rather than increasing the hours they worked, these two women had actually decreased their hours of employment, therefore. When reinterviewed, Ruth Mackenzie still worked the same number of hours in the same job. Her Family Credit entitlement was to cease in three months time and she was hoping to be able to increase her hours of work then.

Three people hoped to be able to obtain promotion in the future. Gemma Lawrence said she was happy with the position she had for the time being because the hours were suitable, but added,

"Where I am now it's an up and coming company and I'll be able to get promotion. I feel I'm getting somewhere now. On Income Support I had nothing but since I've gone back to work it's been great and now I want to go further."

Tania Patton was also content with the job she had while her children were younger:

"Where I am now I'm happy. I want to carry on doing the same sort of work but when the kids are older, when the youngest is 12 I'll be more independent then and will be able to go further afield. I'll be able to accept promotion then. I've already been offered promotion but I can't work longer hours at the moment because I have to put the kids first. In a few years time then I can think about moving further up the ladder".

Alison White already worked long hours and was less happy with her job but said she wished to keep it in the hope that she would be able to get the banquetting managers job which was likely to fall vacant the following year.

Alison was not reinterviewed but Tania and Gemma were. Tania's employment position had not changed and she still hoped to obtain promotion in the future. Gemma had obtained a full-time job with the same company she had worked for when first interviewed. She was no longer in receipt of any income related benefits. She had been offered the promotion

she had hoped for somewhat sooner than she had expected and now had no further plans for employment change.

Lastly, there were six people who wanted to look for what they termed a 'better' job in the future. They were all relatively happy to leave their employment status as it was for the moment, but wanted to obtain more rewarding jobs in the future. Three of them said the jobs they had at the moment suited them while their children were younger because they were not full-time. They only viewed these jobs as temporary, however, and felt they were worthy of obtaining better employment once their children were older. Sarah Taylor said, for example,

"I'll do this for another few years until the kids are a bit older because the hours are great but then I intend to get something better. I've got decent qualifications so I'll be able to get something better, like in an office or something, but I couldn't go for that yet."

Louise Buckley and Christine Clark already worked full-time. They had only recently returned to the labour market and said they were content to retain their current jobs at the moment but hoped to change them in a few years time. Their motives for planning to obtain better employment were to improve their current salaries.

Heather Lambert also wished to obtain a better job in the future. She felt that she was worthy of doing something better and was not entirely satisfied with her current job. She had not yet started to look for another job, however, because she was unsure what she wanted to do. She had intended to do nursing and had taken highers in the hope of being able to get on a nursing course but had not obtained good enough grades. She said she was, therefore, in the process of rethinking what she wanted to do but was confident she would obtain a better job within the next few years.

Heather was not reinterviewed, but the remaining five who wanted to obtain a better job in the future were. They were all working in the same jobs they had at the first interviews, although Claire Marshall, who still expected to obtain a better job when her son was older, had increased her hours. Louise Buckley, Christine Clark and Joanna Russell all still planned to obtain a better job in the future. Sarah Taylor's employment plans had changed, however. When first interviewed she said she wished to retain

her current job as a home help while her children were younger because the hours were suitable, but wanted to obtain a better job once they were older. By the time she was reinterviewed, however, she was no longer happy with her situation due to heavy financial difficulties and had made alternative employment plans:

"I'm going to give up my job and go back onto Income Support because I'm going back to college in September to do an HND in computer studies and office work. I've got to do something to get out of this mess and hopefully then I'll be able to get a better job and earn more money. I know I'll have to go back on Income Support for a while but I won't miss the Family Credit because I think I'm worse off now anyway and at least if I'm not working they can't expect me to pay much of the debts off".

4) Those who intended to retain their current employment position

Half the lone parents had not made any further employment plans when first interviewed, they intended to retain their current employment position. The following are quotes from some of these respondents:

"I thought I had plans for the future but I've now decided that I'm quite happy where I am. I'd rather be where I am than earning more money in a better job but being constantly stressed out. You learn that as you get older, that you're peace of mind is what's worth most" (Fiona O'Connor)

"No I don't have any plans, I expect I'll still be getting Family Credit in ten years time" (Samantha Millar) and

"I want to be doing the same sort of work I'm doing now, I'm happy where I am, I wouldn't want to change." (Barbara Campbell)

Yvonne Field did not expect to make further employment changes either. Asked what she expected to be doing in the next few years she replied,

"... the same as I'm doing now working where I am now and plodding on in the same old rat trap. I could increase my hours if I wanted to but there would be absolutely no point in working 40 hours a week at the moment because I wouldn't be any better off. That's the trouble with Family Credit there's no point in trying to change things anyway."

Fourteen of the 20 lone parents who did not expect to make further employment changes were reinterviewed. Five of them were working in the same jobs they had had when first interviewed and still had no plans

for change. The other nine, however, had either already experienced employment change or had now made plans and expected to experience change in the near future.

Five of the nine had already experienced changes to their employment. Sheila Dickson had retired from work due to ill health. She was no longer able to work and was in receipt of disability benefits. Barbara Campbell had changed jobs but her new job was very similar to the one she had before, and Deborah Morris had increased the hours she worked. None of these respondents expected to make any further changes.

The other two were now in receipt of Income Support. Anne Reid was still in employment but was now only working 10 hours a week. Her other job had finished when her contract expired. She had been offered a new contract but with reduced hours. She said she now hoped to obtain a better job in the future. Karen Young was no longer working. She had experienced a number of employment changes since she was first interviewed. The job she had had at the first interview had finished when her contract expired and was not renewed. After claiming Income Support for a short time, she had obtained another job and claimed Family Credit again. She had been forced to give up this job and claim Income Support again, however, because she had not been well. She was currently looking for work again because she said she was finding it difficult to manage on Income Support.

The remaining four, who did not expect to make employment changes when first interviewed now expected to make changes. John Finlay and Gail Pollock were still happy with their employment position, but like Ruth Mackenzie who was mentioned earlier, were being forced to consider changes because they would soon lose their entitlement to Family Credit and said they would have to make up for the resultant loss of income. John said,

"The job's handy, it's fine but everything is going to change. My daughter leaves school in a couple of months and then the Family Credit stops so I'm going to have to do something else. I couldn't live on the wages from the job alone so I've started to think about what to do. I think I might carry on with the job and get another waiting job in the evening, there's a place over the road I might try that"

and Gail said,

"I'll have to look for a full-time job probably next year because my daughter's 16 now and my son's 14. She's going to stay on at school next year but then I'll lose the Family Credit for her and I don't think (her son) is likely to stay on so I won't get any for him for much longer either. But it's okay because it's what I want to do really work full-time. While he's still at school I can only work part-time because I need to be here in the mornings and at night, it's too easy for them to get into trouble round here".

The other two respondents were planning to make changes to their employment primarily in an attempt to improve their financial position. Mary Watson was no longer happy with her job and wished to do something to improve her financial state, she said,

"I don't enjoy my job anymore and my three children are now at high school and I'm finding it increasingly difficult to stretch my income. I've decided to take a couple of higher's at night school this year and depending on how I get on with that I'll rethink my future and do a degree course or something."

Caroline Adams had also decided to rethink her future as a result of financial hardship. She said,

"... I'm not really happy anymore. I'm becoming increasingly dissatisfied with my job, with everything really. My council tax has gone up and I can't pay it and what with VAT on fuel and everything else I can no longer manage. I'm not even sure I'm any better off than I was on Income Support anymore. So I've taken a different angle now. I'm giving up work to do an access course so I can go to university to give me a better chance. If I'm accepted, (I'm waiting to hear this month), I'll give up work in June and go back onto Income Support. No doubt I'll accrue more debts while I'm back on Income Support but at least things should be better in the longrun".

These examples illustrate that lone parents' situations can change radically, even over a relatively short period of time. Some people who had said they had no employment plans and did not expect to give up their jobs or look for alternative employment at the time they were first interviewed, had in fact done so less than a year later. Similarly, four people who had been content with their current employment position and had had no plans to change things, had now experienced or were soon to experience financial or benefit changes which meant they had been forced to reconsider their plans. They had concluded that their current employment position was untenable and had decided to make changes.

Factors influencing the lone parents' employment plans

From the accounts given by the lone parents, eight factors appeared to be influencing their employment plans. Some of these factors were identified in Chapter 5 as having influenced their original employment decisions, others only affected their employment decisions once they were in receipt of Family Credit. The eight factors were:

- 1) The influence of Family Credit
- 2) Ambition
- 3) Contentment with current situation
- 4) Age of children
- 5) Financial incentives
- 6) Lack of qualifications and age
- 7) Pregnancy
- 8) The end of a course/contract

Each of these factors will be discussed in turn:

- 1) The influence of Family Credit

In Chapter 5 the influence of Family Credit was identified as being one factor which affected the lone parents' employment decisions before they came to be in receipt of Family Credit. Some people had decided to work because they had specifically wished to claim Family Credit. At the time of the main interviews, Family Credit still appeared to be affecting the employment plans of some of the respondents, but was not necessarily acting as a incentive to make changes. For Helen Cunningham and Frances Hall it was acting as an incentive. They were both intending to give up their jobs and go to college, and dislike of Family Credit was one reason why they had made this decision. Helen said,

"I want to get off benefits, I never wanted to be on Family Credit in the first place".

Frances said similarly,

"I don't want to be on Family Credit anymore, I thought it would be okay but it's not. You're worse off than you are on Income Support. I'll have to go back onto Income Support for a while to be able to go to college but that's okay, I can't think of a better reason for giving up my job than to be able to come off Family Credit."

For these two women dislike of Family Credit created an incentive to make further employment plans. For two other respondents, however, Family Credit was acting as a disincentive. Wendy Roberts and Joanna Russell both said Family Credit had influenced the decisions they had recently made about employment. Wendy said, for example,

"They want me to work a 40 hour week but I'm not doing that because then I wouldn't get Family Credit. After paying all my rent and council tax I've worked out that I'd actually be about £10 a week worse off."

Joanna said similarly,

"It's a catch 22 situation really because I'd like to go for something with a decent salary which would make me much better off. But if you're not on Family Credit then you lose Housing Benefit and Council Tax Benefit and I don't know if you would actually be any better off. I'd love not to be on benefits but if you go for a full-time job you'd have to pay childcare and then you'd definitely be no better off".

Wendy Roberts had told her employers she did not wish to work a 40 hour week and said there was no incentive for her to make employment changes because she was on Family Credit. Joanna Russell had also decided there was no incentive for her to make employment changes for the time being, although she had some plans for the future when her children were a bit older. Family Credit was, therefore, directly affecting the employment plans of these two women in a negative way. It is possible that such negative perceptions of Family Credit were fairly important in affecting more of the lone parents' aspirations for the future. This issue will be considered in detail in Chapter 8.

There was one further way in which Family Credit was influencing the lone parents' employment plans. Some people were being forced to make employment plans in the knowledge that their benefit was to cease in the near future. Ruth Mackenzie said at her first interview that she was expecting to increase her hours in order to make up for lost benefit when her son left school. By the time they were reinterviewed, John Finlay and Gail Pollock had also begun to think about what they would do once their

benefit ceased. It was seen in Chapter 5 that a couple of respondents had been forced to make employment plans when they were no longer able to claim Income Support. Family Credit was operating in a similar way for these respondents. It would be likely to affect the employment plans of many more of the lone parents once their children become older.

2) Ambition

Ambition was not identified as a factor affecting the employment decisions of the respondents before they claimed Family Credit, although it is possible that it might have been an unexpressed factor. At the time of the main interviews ambition was affecting the employment plans of 13 of the respondents. Ten of these did not specifically say that they were ambitious but they clearly wanted to make employment changes for reasons connected with personal ambition. They talked, for example, about wanting a better job or promotion, because they felt they were worthy of something better. Frances Hall said, for example,

"I'd like to take a course at college to increase my chances of getting a better job, I'd like to make something of myself."

Some of those for whom ambition seemed to be important had decided it would not be possible for them to make employment changes while their children were young. They had plans to change their employment once their children were older, however. In some cases, therefore, employment plans were made for reasons of ambition, but were postponed because of children's ages. The age of children as an influence upon employment plans is discussed below.

Ambition also sometimes affected those lone parents who planned to retain their current employment status. Fiona O'Connor, Caroline Adams and Susan Wood all said that one of the reasons why they had not made any further employment plans was because they were not ambitious. For example,

" I'm happy where I am, I'm not really ambitious. I used to be before I had my daughter and even for a while afterwards, I had lots of plans, but like I said before, I think you're ambitions decrease once you're in this position. When you're on benefits you can't set your sights too high, you can dream about having a good job with more money and

being entirely independent of benefits but I doubt if it's achievable" (Caroline Adams) and

"...but really I'm quite happy, I've never been ambitious, even before I had (her son) I never wanted a career." (Susan Wood).

3) Contentment with current situation

A feeling of contentment with one's current situation was not acknowledged as a factor influencing the employment decision making of the respondents prior to claiming Family Credit, although some of the respondents did no doubt make plans because they were not content with their situation as it was at the time. Indeed some people said they had decided to work because they were unhappy on Income Support.

At the main interviews 17 of the lone parents made some kind of statement which suggested that one of the reasons why they had no further employment plans was because they were happy with their position as it was. For example,

"I want to keep on doing what I'm doing now, I like this job, I'm happy with it" (Janet Grant) and

"I want to keep working hopefully in the same job because I'm happy there" (Margaret Galloway)

Some of these 17 had not actually planned to be in employment in the first place, but now that they were, were content. Others had planned to be in employment and some had also planned to claim Family Credit. They had now reached the position they had intended to be in and had no further plans for change.

While 17 people expressed contentment with their current situation, a further three expressed discontent. Helen Cunningham, Frances Hall and David Wright, said that one of the reasons they were planning employment change was because they were unhappy with their current situation. Helen liked her job but disliked claiming Family Credit, David was satisfied with Family Credit but was dissatisfied with his job. Frances was dissatisfied

with both her job and benefit status. As a result all three were expecting to make changes to their employment in the near future.

It has already been seen that some people who did not expect to make further employment changes when first interviewed, had in fact developed plans by the time they were interviewed a second time. Discontentment with their current situation was clearly one reason why they had decided to rethink their position. Caroline Adams who was mentioned above, said for example, at her first interview, that she was happy where she was and had no further plans for employment because she was not ambitious. By the time she was reinterviewed, however, she appeared to be totally discontented with her position. She no longer enjoyed her job and was unhappy claiming Family Credit. Increases in council tax payments and interference from the Child Support Agency had led her to completely rethink her current position. As a result she now intended to give up her job and do a course at college. Mary Watson had also expressed contentment with her position when first interviewed. Less than a year later, however, she was also unhappy with her job and dissatisfied claiming Family Credit. She was now finding it difficult to manage on Family Credit and also cited interference from the Child Support Agency as having contributed to her dissatisfaction with her current position.

4) Age of children

The age of children was important in affecting the employment plans and decisions of more than half the lone parents before they claimed Family Credit. Five of these said their children's age was still influencing their employment decisions. They all had plans for the future but for the time being were intending to remain in the same job and in receipt of Family Credit because they did not think their children were yet old enough to enable them to make the changes they wanted to, usually a better job or promotion. The age of children can act, therefore, as a restrictive influence upon lone parents' employment plans.

5) Financial incentives

In chapter 5 it was seen that financial incentives had influenced the employment decisions of almost half the lone parents before they claimed Family Credit. Financial incentives appeared to be of far less significance once the lone parents were receiving Family Credit. At the time of the main interviews only four of the respondents said they wanted to make further employment change for financial reasons. Alison White said, for example,

"...I'd like to get a job with a better income and better chances for promotion. Getting a better income is what's most important, I'm not happy with what I'm getting now and if promotion doesn't come up soon then I'll look for something else."

Although so few had made employment plans for the future because they wished to increase their level of income, it is likely that many more might have considered making plans had they thought there was a potential for earning more money. When asked what would be the most important factors in attracting them to another job, the majority of the respondents said that more money would be a major priority. Many of these recognised, however, as will be shown in Chapter 8, that it is quite difficult to increase your income once you are on Family Credit and this knowledge probably affected whether or not they had made any plans for the future.

Whilst only four people said their employment plans were influenced by financial factors at the main interviews, financial matters appeared to have assumed more importance by the time the lone parents were reinterviewed. By this time several of them said their financial position had worsened considerably and some of them had developed employment plans since the first interviews as a direct response to their deteriorating financial position. By this time there were also several people in receipt of Income Support who said they were hoping to return to employment and claim Family Credit again because they were finding it difficult to manage.

6) Lack of qualifications and age

Noone mentioned that lack of qualifications or age had affected their employment decisions before coming to be on Family Credit. It is possible, however, that some people's employment choices were likely to have been

restricted as a result of their lack of qualifications or age. At the time of the main interviews three people mentioned that lack of qualifications, age or both, were now affecting their employment decisions:

"It would be difficult to get another job because I've got limited qualifications and work experience isn't always relevant. I'm already 31 and by the time I'm in my late thirties when (her daughter) is a bit older, I don't know, I think I'd probably be too old to be considered for any decent jobs" (Caroline Adams),

"If I was qualified then I wouldn't do this but I wasted my army years. I don't have any qualifications, and I'm getting on a bit now, I'm 42, so my options are running out" (John Finlay) and

"...I couldn't go back to working in hotels now I'm too old, I couldn't do it anymore. Apart from that there's not much else I could do because I haven't got any qualifications to get a proper job so cleaning's the only thing I can do " (Gail Pollock).

These three said that one of the reasons they had no further employment plans was because their age or lack of qualifications would make it difficult for them to consider making changes. Although only three people mentioned age or lack of qualifications, they are undoubtedly important in influencing employment plans. Those people who wished to make significant changes to their employment normally expected to have to go to college before they expected to be able to achieve this and were, therefore, aware that lack of qualifications was currently restricting their employment options. Similarly the fact that the older members of the sample were less likely to have made any further plans regarding employment is an indication of the importance of this factor.

7) Pregnancy

None of the lone parents said that their employment decisions had been affected by pregnancy prior to their claiming Family Credit, but considering many of them had withdrawn from the labour market following the birth of their first child, pregnancy had undoubtedly affected the employment choices of the respondents at some points in their lives. The four people who were pregnant at the time they were first interviewed intended to give up their jobs only because they were expecting another child. They all said they would have remained in employment and continued to claim Family Credit had they not been

pregnant. They did not have the option of returning to their job following the birth of their child because none of them had worked long enough to claim maternity benefit. Although all four intended to give up work and claim Income Support, three planned to return to the labour market within at least a year of their child's birth. By the time she was reinterviewed the fourth woman who had been pregnant also intended to return to employment.

8) the end of a course or contract

Like pregnancy the end of a course or contract was a factor which forced the lone parents to make employment decisions, even if they did not necessarily wish to do so. This factor affected only one of the respondents at the time of the first interviews. This was Zoe Smith who had begun to consider what she would do once her nurse training had finished. She had not made any definite plans,

"I suppose I'll have to go back on Income Support until I can get a job. I've thought about doing a teaching course at the Esk Valley college in special needs. I'd love to do that, but I would like to continue nursing. I'd like to do work in the community, but I'd have to learn to drive to do that and I'm terrified of cars, but I think I'll probably get a nursing job eventually."

It has been seen that the end of a contract had affected the employment plans of more of the lone parents by the time of the second interviews.

A number of factors influenced the lone parents' employment plans once they were in receipt of Family Credit, therefore. Those 20 who intended to retain their current employment position most often stated that this was because they were content with their current situation. Lack of incentives, age, and lack of qualifications were, however, influencing some people's decisions.

For those who had made further employment plans, a range of factors were influential. Ambition was an important factor but such things as dislike of being on Family Credit, desire to improve ones financial position and factors out of an individuals control such as pregnancy, the end of a course

or contract, or the end of Family Credit clearly had an effect in some cases. The age of children also sometimes affected people's plans in that they were forced to postpone any plans they might have until their children were older.

Most of the lone parents who expected to make further employment changes did not expect to do so for some time. Some people expected to wait until their children were older before making changes, others had some idea what they wanted to do but did not have clearly defined plans and were content to continue as they were for some time at least. Those who expected to make employment changes in the near future were usually expecting to do so for specific reasons. They had often made plans as a result of their becoming pregnant, because their course or contract was coming to an end or because their Family Credit claim was soon to come to an end.

By the time of the follow up interviews several people had undergone employment change or were expecting to make changes despite the fact that they had sometimes stated at their first interview that they had no plans for the future. Those who had already experienced employment change had often not planned to do so beforehand. A few had changed jobs because they had applied for another without having specifically decided that they wished to change jobs. Others had left employment because of illness or because of a contract ending, they had not necessarily planned or even wished to give up work. It was seen in Chapter 5 that some people had not planned to be in employment, and similarly some people who had experienced employment change since claiming Family Credit had not planned for such changes to occur. Others had been forced to make plans because their situations had changed in some way since they were first interviewed and the factors which had influenced their decisions then, often no longer applied. For example, some people who had said they were content with their current position at the time of the first interview, were dissatisfied by the time they were interviewed again. In particular, they had made employment plans because they were finding it increasingly difficult to manage financially.

Conclusion

This chapter investigated what employment decisions the lone parents had made since being in receipt of Family Credit and what factors were influencing these decisions. At the main interviews the sample could be clearly divided according to whether or not they had made any decisions regarding employment change for the future. Half the lone parents had made some sort of decisions about their future employment. Those who wished to seek alternative employment, to give up work and claim Income Support, or go to college expected to make these changes in the near future. Those who intended to look for a better job, work full-time, increase their hours, or obtain promotion, had more long term plans and expected their employment situation to remain as it was in the short term. Indeed the large majority of those intending to make employment changes did not expect to do so for some time.

A range of factors were found to be influencing whether or not the lone parents had made any decisions about future employment change. Half the sample planned no further employment changes, they wanted to maintain their current employment position and contentment with their current situation appeared to be the main factor accounting for this. Other factors were important in some cases, however. A few people said that Family Credit acted as a disincentive to make changes. Others mentioned that lack of qualifications, or their age, meant it would be difficult for them to make changes. Lastly, a few people said they did not wish to make employment changes because they were not ambitious.

A number of factors had influenced the decisions of those who were planning employment changes in the future. Personal ambition appeared to be quite an important factor. Those who had made decisions because of ambition, said they did not expect to make changes in the near future. Many said their children's ages still constrained their employment decisions and while they had made further plans they did not expect to put them into operation until their children were older.

A couple of people had made further employment plans because they had become disillusioned with their current situation. Dislike of being on Family Credit had contributed to their disillusionment and they felt there was an incentive to come off Family Credit.

A few people had been forced to make decisions regarding employment because they were pregnant or because their job or course was to finish in the near future. These people were happy with their current employment position but their circumstances meant that they would have to give up their current job and rethink the future course of their employment.

By the time of the follow up interviews some people's employment position or employment plans had changed considerably. The follow up interviews were useful in showing that lone parents' employment positions are by no means static. Even over a short space of time they may experience employment and benefit changes or their circumstances may change in some way which may force them to reconsider their employment plans for the future.

The follow up interviews shed more light upon the reasons why lone parents decided to make changes to their current employment. Firstly they provided more evidence of how pregnancy or the end of a job contract affected individuals' employment decision making. Those individuals who had experienced most employment change by the time of the second interviews had normally been affected by one or other of these factors. A few others had begun to make decisions regarding the future course of their employment because their eligibility for Family Credit was soon to end once their youngest child had left school. These individuals were happy with their current employment position but were having to consider alternatives to make up for the shortfall in income they would experience once Family Credit ceased. There was, therefore, considerable evidence of how factors other than choice can result in further employment decisions being made.

At the main interviews financial factors did not appear to be a very important influence upon employment decisions. Financial factors had assumed more importance by the time of the follow up interviews,

however. Two women who had had no plans for change at all and one who had only made plans for the more distant future when first interviewed, had since made more immediate decisions as a result of their deteriorating financial positions. They had all decided to go into higher education as soon as possible to improve their chances of obtaining better paid employment and so improve their financial position. These women had also been forced, therefore, to reassess their employment options. The decisions they had made were not necessarily made through choice.

Lastly the follow up interviews showed more evidence of the importance of 'opportunity factors' in accounting for changes in the lone parents' employment status. One woman had been offered a full-time job and had been able to come off all means tested benefits, the other had been offered a 16 hour job which meant she was able to give up both the jobs she had had when first interviewed. Both these women had had some sort of employment plans for the future when first interviewed, but the changes they had actually experienced by the time of the second interviews were the result of 'opportunity factors', not the result of the decisions they had outlined earlier.

Perhaps one of the most important conclusions to be drawn from this chapter is that the lone parents in this study did not normally expect to make employment changes in the short term unless they were forced to do so by factors such as pregnancy, the end of a course or contract, the end of Family Credit or severe financial pressures. If they were affected by any of these factors then they were normally forced to consider making changes as soon as feasibly possible. Those who were not affected by these factors were normally content, however, to retain their existing employment position at least for the foreseeable future.

Chapter 7 The transition to Family Credit

One of the aims of this study was to investigate the transition to Family Credit. In chapter 3 it was suggested that the transition period was likely to be a particularly difficult time for lone parents. In investigating the transition to Family Credit, the research aimed to examine what difficulties the lone parents encountered on moving onto Family Credit, and how they were able to cope with the difficulties of the transition period. This chapter attempts to answer these questions. It looks at the process of applying for Family Credit, Housing Benefit and council tax benefit and discusses any problems the lone parents experienced when applying for these benefits. It then investigates any financial difficulties which were encountered during the transition period and discusses the ways in which the lone parents were able to cope with such difficulties. Lastly it looks at confidence related difficulties which some of the lone parents said they had faced during the transition to Family Credit.

Difficulties encountered when moving onto Family Credit

When asked what they thought were the main difficulties encountered during the transition to Family Credit, a quarter of the respondents said they did not think there were any. For example:

"I didn't really find that there were any, I was looking forward to going back to work and I knew Family Credit would be a lot better than Income Support" (Paula Lawson)

"I didn't have any difficulties, it was good going back to work and Family Credit was easy to apply for, it was all quite straightforward really" (Angela McBride) and

"There weren't any. I had gone to the CAB and they were really helpful. They told me what I was entitled to and helped me fill out all the forms because my written English isn't very good. So I didn't have any problems" (Theresa Vance)

When asked further questions about specific areas such as applying for in work benefits, however, some of these people did go on to say they had experienced some difficulties.

The remaining three quarters of the sample said they had experienced difficulties on moving onto Family Credit. The difficulties they mentioned fell into three main areas:

- 1) Benefit related difficulties
- 2) Financial difficulties
- 3) Problems related to confidence

These three areas will be looked at individually:

1) Benefit related difficulties

A large number of the sample said they had experienced problems connected with benefits when they first claimed Family Credit. Problems with Housing Benefit and community charge or council tax benefit were most common. Some people said they found it very difficult to work out how much benefit they were going to receive. Others said that Housing Benefit and community charge or council tax benefit took a long time to come through and that this caused problems.

Some people said that the transition to Family Credit was a particularly worrying time for them. Helen Cunningham said she felt frustrated by the difficulties she experienced when she started to claim Family Credit:

"Well I tried to be really honest and wrote to everyone telling them I was now working and I felt they didn't want to know. I just wanted everything to be right but it took ages to get everything organised, the poll tax was murder and the rent took months. I had worked out I'd get a rebate for the poll tax which I did at first but then in December, just two weeks before Christmas they sent me a letter saying I was due loads, £160 which I had to pay by January 16th. I'd gone to Welfare Rights when I had to transfer from Income Support to Family Credit, to find out about the poll tax and the rent, but the poll tax ended up being more than they worked out. It was really worrying. Nobody was any help at all. I was so frustrated with it all."

Carol Baxter had also been worried about her rent and poll tax when she moved onto Family Credit. Like several other respondents, she was worried that once everything had been sorted out, it might not actually be worthwhile working. She said,

"Having to get the rent and everything sorted out is the main problem, and the poll tax is also a major step. You keep worrying that it's not going to be worthwhile and that you'll have to go back to Income Support"

The lone parents who had claimed Income Support before were more likely to mention that they had encountered benefit related difficulties. They talked about the problems of rearranging Housing Benefit and council tax benefit after they had come off Income Support and were sometimes worried whether or not they would end up being better off. Those who had not claimed Income Support before also had to claim Housing Benefit and council tax benefit but they had not normally claimed benefits before and were perhaps, therefore, less fed up with the whole process of claiming benefits. They also had no worries about whether they would be better off than they had been on Income Support, since they had never claimed it.

Because so many of the lone parents said that applying for benefits had caused them problems when they first moved to Family Credit, they were asked about their Family Credit, Housing Benefit and community charge or council tax benefit applications in some detail. The problems they experienced in applying for these benefits are discussed below.

Applying for income related benefits

Family Credit

Those who had previously claimed Income Support normally applied for Family Credit as soon as or soon after they had ceased to be eligible for Income Support as a result of taking employment of 16 hours or more a week (24 hours if before April 1992). Most of those who had not previously

claimed Income Support applied at or soon after the time that they had become lone parents.

The respondents had found out about Family Credit from a range of different sources. The three most important sources were from a friend, from the post office and from television adverts. Almost a third of the sample had found out about Family Credit from a friend, a quarter from the post office and a fifth from television adverts. The other sources from which the respondents had found out about Family Credit were information in Child Benefit books and the CAB. Others had been informed of its existence by the DSS or Housing Benefit Section. In the National Audit Office study, 32% of the sample had found out about Family Credit from television adverts, 28% from the post office or DSS and 30% from a friend (National Audit Office, 1990).

There were, therefore, several different ways in which the lone parents had learned of the existence of Family Credit. Some had seen it advertised or had been told about it and attempted to find employment for wages and hours where they knew they would be able to claim it. It has already been stated, however, that most of the lone parents had not taken employment of 16 hours or more with a view to being able to claim Family Credit. They had taken a job and then realised they would be eligible, after finding out about it from one or more of the sources indicated above.

Twenty six of the lone parents said they had been confident they would receive Family Credit when they applied. Many of them said they had worked out they would be eligible from the tables provided. Claire Marshall said, for example,

"From the figures on the leaflet I worked out that I'd be entitled to it. I knew I was entitled but I didn't know how much I'd get",

and Rachel Stevenson said

"I knew from the table that I was entitled to it and I only worked 16 hours so I knew I'd get it".

Others said they were confident they would be entitled because they had been informed that they were eligible, either by the DSS or the CAB.

The 14 who had not been confident they would receive Family Credit were either not sure they were working the right number of hours, or thought they were earning too much money to be eligible. Louise Buckley said, for example,

"No I wasn't sure, I thought I might have been earning too much because I worked full time".

A couple of people had had two jobs to make their hours up to 16 or 24 and said they were unsure whether they would be eligible. Karen Young said, for example

"Not really. I had two jobs then because it used to be 24 hours you had to work, so I didn't know if I'd get it. I wasn't sure if it counted if you had two jobs."

Those who had never claimed Income Support were the least likely to be confident they would be eligible for Family Credit. Of those who had claimed Income Support, those who had planned to work and claim Family Credit were not surprisingly the most likely to feel confident they would be eligible.

Seventeen of the respondents said the amount of Family Credit they received was what they had expected. Most of these said they had known how much to expect because they had calculated it from the tables provided. John Finlay said,

"Yes it was what they had explained in the leaflet, they don't muck you about or anything. I'd worked out how much it would be from the guide."

Tania Patton also said

"Yes it was more or less what I thought because I'd worked it out".

A couple of people said it was the amount they had expected because they had been told how much to expect from the CAB or from welfare rights. Helen Cunningham said, for example

"Yes it was almost exactly what they told me it would be at the Welfare Rights place".

Not everyone had been able to calculate how much money they were going to receive from the tables provided, or had sought information regarding

how much they were going to get, however. Fifteen people said they had not received the amount they had been expecting. 14 of these said they had actually received more Family Credit than they had expected. Louise Buckley said, for example,

"It was a lot more, I thought I was well off, but when you start getting refused everything else, you realise you're not any better off".

Similarly, Heather Lambert said

"It was more, I didn't expect as much but its dropped every time since then."

Most of those who had had some kind of idea how much Family Credit they would get but received a different sum to what they had expected, said they had actually received more than they had expected. Many of those who said this went on to say, however, that while they were pleasantly surprised at the amount they received, they soon realised that taking everything into account they were not as well off as it had at first appeared.

Sarah Taylor was the only respondent who had had some idea of how much Family Credit she would get to say that she had received less than expected. She said,

"No it was lower, I thought it would be higher".

Eight people said they had had no idea how much Family Credit to expect. Margaret Galloway said, for example

"I hadn't really thought about it, I didn't even know if I would be entitled".

Some people said that while they had not known how much to expect, they were pleased with the amount they got. Natalie Mason said, for example

"I didn't know how much it would be but I was pleased at the amount",

and Caroline Adams said

"I had no idea how much to expect but it turned out to be a pleasant surprise".

Surprisingly those lone parents who had taken a planned approach when making their employment decisions, and had often looked for a job where

they could claim Family Credit, were the most likely to say they did not receive the amount of Family Credit they had expected. While most of them had been confident they would receive Family Credit, they had not been able to accurately calculate how much benefit they would be entitled to. Those lone parents who had taken an unplanned approach to decision making mostly had had no idea how much benefit they would receive.

On the whole the respondents seemed to be relatively pleased with the speed with which their Family Credit claim was processed. 27 said it had taken six weeks or less from the date of application until they received their first payment. The average length of time was between five and six weeks, the quickest time three weeks. Some people who said it took six weeks or less felt this was quite quick. Louise Buckley said, for example, "Not long, about six weeks", while others thought six weeks was a long time. Joanna Russell said, for example

"The first one took a long time, I had no other money apart from my wages and it took over a month, but lately they've been quicker".

Some people said they were kept informed of how their claim was proceeding and because the money was all backdated, while they thought Family Credit took quite a while to apply for, they were fairly pleased overall.

Thirteen people said, however, that it took over six weeks before they received their first payment. Paula Lawson said "It was weeks, six to eight weeks, " and Zoe Smith said it was ten weeks before she received a payment, although she said she was at least notified in the meantime. Wendy Roberts said her claim had taken a long time because she had been self employed at the time. Several others also mentioned there had been problems with their claim, Natalie Mason said, for example,

"It took a couple of months because my employers took quite a while. Because I hadn't worked there long only one months wages had gone through so I think they were a bit confused but I got all the money in the end because it was backdated."

Claire Marshall said

"The first time it took a couple of months because there was a query, something to do with my family allowance, but since I've claimed since it's been pretty efficient".

A number of respondents said their first claim had taken quite a while but they were pleased with the speed with which renewal applications were processed. Samantha Miller had been claiming Family Credit for a number of years and said the application process had become much quicker in recent years,

"The first one took months, it's a lot different now. In the last year and a half or so its been much better. You get your new book three weeks before the other one runs out, whereas before you quite often had to wait six to eight weeks without any money, and you used to have to go down the social to get them to do something. For the first three weeks they wouldn't give you anything but after that they had to. But it's different now, I don't know what they've done to it but it's a lot better."

On the whole most of the respondents were quite positive in what they said regarding their Family Credit application and very few had experienced any problems. Those who had never claimed Income Support and those who had taken an unplanned approach to decision making were more likely to say it had taken more than six weeks before they received any benefit and more likely even if it took less than this time to think that this was too long. This is possibly because they had no prior experience of claiming benefits and were not used to the difficulties involved and the amount of time which applying for benefits can take. In contrast, those who had claimed Income Support were less likely to think that six weeks or even longer was an unduly long time. Indeed a number of those who had claimed Income Support were keen to stress that applying for Family Credit compared favourably with other benefits.

Almost everyone said that Family Credit was easy to apply for, only six people said it was not. These included Wendy Roberts who said she had found it difficult to apply for when she was self employed because she said the forms for self employed people were quite complicated. Now that she was no longer self employed she said it was easy to apply for. A couple of people said they had had problems applying because they had had two jobs which caused complications. Lastly a few complained about the difficulty of the application form although they said that the form for Family Credit was less complicated than the ones for some other benefits. On the whole

applying for Family Credit did not pose too many problems for the respondents during the transition period, therefore. Indeed many of the respondents were keen to praise the whole process of claiming Family Credit, especially in comparison with the problems they encountered when applying for other benefits, most notably Housing Benefit.

Housing Benefit

The majority of the sample were not satisfied with their Housing Benefit applications. Only 14 respondents said their Housing Benefit application had gone relatively smoothly and that they had had no problems with it. The following are quotes from people who were satisfied with their claim:

"I went in right away, before I even started the job I think it was, and there were no problems at all. I told the landlord that my circumstances had changed and he might have to wait a while for the rent but he was fine and it didn't take too long anyway " (Tania Patton)

"... that didn't take long at all. It was fine I didn't have any problems with it at all" (Rebecca Quinn)

"That was no trouble at all, Canmore Housing Association deal with it for you. They're really good. You're given a housing officer who you see all the time whenever you have a problem" (Mary Watson) and

"That wasn't bad at all, it was quite straightforward, it only took between ten and fourteen days" (Barbara Campbell).

Twenty six respondents had not been satisfied with the way their claim for Housing Benefit had proceeded. One of their main criticisms was that it took too long for the Housing Benefit section to process their claims. They said it had taken a long time before they received any benefit and many of them had fallen into arrears with their rent in the meantime. The following are quotes from some of the respondents who said they had experienced such problems:

"...it was horrendous, I got eviction notices and everything, it took weeks it was terrible" (Fiona O'Connor)

"It took quite a while, I ran up arrears. I had to explain to them that I'd gone back to work and it might take a while to sort out, but it took ages to sort out. I got loads of letters even threatening me with eviction. But

Wester Hailes have got their own office now so I went in there and they were very nice and told me not to worry about it. There were arrears of over £200 by the time it came through because the rent is £85 a fortnight" (Gail Pollock)

"That was terrible it took ages, it put me in loads of arrears, I had to pay back the full rent for a while because Housing Benefit don't backdate money. I got loads of hassle, I was threatened with court evictions and everything" (Karen Young) and

"It was terrible, I paid as much as I could but I got into rent arrears of £100. It took so long. The Family Credit took five weeks but it wasn't until another four weeks after that that the Housing Benefit came" (Deborah Morris).

Another problem was that people had difficulty in establishing how much of their rent they had to pay themselves since the Housing Benefit section kept sending them letters stating different amounts of benefit entitlement. Caroline Adams who had claimed Family Credit for a year and a half when she was first interviewed, said she had had problems with Housing Benefit since she first went to work,

"Housing Benefit was the worst area its been an absolute pain, it's still not sorted out properly. They keep changing their minds about how much they're prepared to pay".

Sheila Dickson had also experienced problems, she said,

"I didn't claim until quite recently and I've already had five forms with different amounts on each time. I don't know if I'll ever work out exactly how much I have to pay".

Similarly, Janet Grant said,

"It's taken them two years to sort out so far and I still don't know if they've got it right yet. They continually change their minds about how much they're going to pay, but they're actually giving me a full rebate at the moment so I'm not complaining".

Gail Pollock who was mentioned above as having fallen into arrears because her Housing Benefit had taken so long to come through said she had also had problems establishing exactly how much rent she had to pay

"At the moment I'm paying 92p a fortnight, before I was paying £10 a week. I've had to keep filling in all these forms. I've had loads of letters with loads of different figures to pay. One of them was for 2p a fortnight, it wouldn't have even covered the cost of the stamp for their letter!"

Certainly noone would dispute the ludicrousness of having to pay 2p a fortnight in rent. Yvonne Field was particularly vocal about what she believed were the absurdities of the benefit system, she said

"It took a long time. I object to the way they do it. When they assess it they assume that you're claiming Family Credit. I think it's really stupid that they give you Family Credit and then make you pay rent. I don't know why they don't just sort it out together so that if you're given anything it's yours and you've got no rent to pay. I tried to refuse Family Credit so I could get all the rent paid but you can't do that, you have to have it because they assess it on the basis of how much Family Credit you're getting even if you're not getting it"

Yvonne was not the only respondent to be annoyed about the fact that she was given Family Credit but then expected to pay rent, it was an issue mentioned by a number of the respondents throughout the interviews. They felt they did not benefit from Family Credit for this reason. Many of the respondents used their Family Credit to pay their rent and some said they would have preferred to receive full Housing Benefit instead of Family Credit, since paying rent was a major worry.

Although many of the criticisms of Housing Benefit were comments on what many of the respondents believed to be the unnecessary complexity of the benefit system, as the quotes above illustrated, a number of respondents encountered major problems with Housing Benefit. Many got into rent arrears and some were even threatened with eviction because their Housing Benefit claim had taken so long to sort out. Natalie Mason had been particularly frustrated by the problems she had encountered when applying for Housing Benefit. She described her situation in some detail:

" That's a nightmare. When I moved in I paid one months rent because I was going on holiday for two weeks. From when I came back I was going to pay it by standing order which didn't go through until the end of the month when I got paid. So I asked them if there would be any more I'd owe until the standing order started going through, because I'd kept the money aside in case. I had it on me at the time, but the woman said I didn't have to pay any extra, something to do with you get three free weeks a year if you're a council tenant, so I wouldn't go into arrears and the standing order would cover the next months rent. But after I got back from holiday I got a letter saying I was in arrears and that they could start eviction proceedings if they wanted to. I went straight down there, I was so angry. I even pointed out the woman who had told me I wouldn't be in arrears but they said she wouldn't have said that, she was too good at her job to do anything like that. It was really annoying

though because when I'd gone down there before I'd got the money to pay whereas by then it was spent so I had to borrow to pay it back. It's awful when nobody believes you as well. I've never done anything wrong in my life and they treat you as though you knew exactly what you were doing and were trying to defraud them out of the money or something."

Because she had been given mistaken information, this respondent had encountered major problems with her rent. She said she knew very little about benefits and thought there should be someone who could tell you exactly what you were entitled to and what you had to do to apply. John Finlay had also experienced problems. He had not known that he had to reapply for Housing Benefit when he started claiming Family Credit, he said

"Well I didn't notify Housing Benefit that I was working because I didn't realise you had to. Because up until I was working I was getting 100% of the rent paid, and I just thought it would be the same if you were on Family Credit because you're still on benefit. But then I got this letter and I'm now paying arrears back each week. So I'm paying £20 a week whereas it would be £14 or £15 otherwise. But I think it should be publicised that you have to do this because I wasn't told and didn't know I had to inform Housing Benefit."

John Finlay was not the only lone parent who had failed to realise that he should have reapplied for Housing Benefit when he came off Income Support. Two others also discovered their rent had not been paid because they had not reapplied. By the time they had been made aware of their mistake they already faced rent arrears.

Some of the respondents had, therefore, experienced major difficulties in connection with their Housing Benefit claim and for some at least Housing Benefit was a major source of worry during the transition to Family Credit. On the whole those who had taken a planned approach to employment decision making were more likely to say their application had gone smoothly. This is possibly because, having planned the transition to Family Credit to a greater degree, they were maybe more likely to have found out the exact procedures they had to follow. Those who had never claimed Income Support were far more likely to say they had had problems claiming Housing Benefit. Again, as was mentioned above, this is possibly due to the fact that they had less experience of claiming benefits.

Not knowing how much rent they would have to pay was often a worry for the lone parents and led to problems. Only a quarter of the sample said they had known how much rent they would have to pay when they made the transition to Family Credit. Three quarters had not known how much rent they would be expected to pay. Some had no idea how much they would be expected to pay. Gail Pollock said, for example

"... I couldn't work it out but I knew I would get some kind of rebate",

and Sandra Hill said

"I didn't know exactly what I would have to pay. A friend of mine was on FIS and she was paying £80 to £90 a month and her rent was much less than mine so I was worried I'd have to pay quite a lot".

Some of those who had not known how much they would have to pay had actually expected to pay more than they did. Some had expected to have to cover all their rent. Louise Buckley said, for example,

"... I wasn't sure if I would get a rebate, I thought I might have to pay full rent",

and Susan Wood said

"I thought it would be a lot more because I wasn't aware of this rent thing".

Most of those who had not known how much they would have to pay, said however, that they had not expected to pay as much as they in fact had to. Some people, as was mentioned above, had not expected to have to pay rent at all. The following quotes are examples of what the respondents said :

"... I thought I would still get a full rebate" (Janet Grant)

"I knew I would have to pay rent when I got the house but I was expecting to get more Housing Benefit" (Frances Hall)

"I was only expecting to pay about £5 a week but I got more Family Credit than I thought I would and the more Family Credit you get the more they take off" (Lisa Jackson) and

"... I thought it would be less. I've heard that out of all the benefits that Housing Benefit is the hardest to get" (Joanna Russell).

The fact that three quarters of the sample had not known how much rent they would have to pay when they went onto Family Credit shows that

many of the respondents had little knowledge about how much benefits they would receive. As was shown in Chapter 5, only a small minority had actually sought advice about benefits from the CAB or DSS helpline. Those who had were most often those respondents who were identified as having taken a planned approach to employment decision making. Those who had adopted such an approach were the most likely to know how much rent they would have to pay. Most people had, however, moved into employment of 16 hours or more without fully considering what benefits they would be entitled to or how they would be affected financially. While a significant proportion had not known how much Family Credit to expect, still more had not known how much Housing Benefit they would receive. It is perhaps not surprising, however, that so few of the lone parents were able to work out how much Housing Benefit they would be entitled to when the Housing Benefit section often took weeks, even months, working it out themselves.

Community Charge/Council Tax Benefit

At the time of the main interviews the community charge had just been replaced with council tax and community charge benefit replaced with council tax benefit. Those lone parents who had originally applied for community charge benefit were now having to apply for council tax benefit. Twenty seven of the respondents had applied for council tax benefit by the time of the main interviews. These 27 had all previously been paying community charge and had applied for community charge benefit at or soon after the time they became eligible for Family Credit.

Some of them mentioned that it had taken a while to sort out whether or not they were eligible for community charge benefit and that not knowing how much poll tax they were going to have to pay had been a worry during the transition period to Family Credit. Some said that by the time they had found out about their application for community charge benefit, they had already run up arrears because they had not made any payments while waiting to find out whether they were eligible for benefit. Some discovered after many weeks that they were not entitled to any benefit, but by this

time they already owed fairly large sums. A large proportion of the lone parents who had run up community charge arrears at this time were still paying them off at the time of their first interview. They were, therefore, starting to pay council tax when they still owed community charge. Although some people said that applying for community charge benefit had caused them problems during the transition to Family Credit, on the whole the respondents appeared to have been far less worried about this than they were about rent and Housing Benefit. Most of them wished to stress that they were currently having far more trouble applying for council tax benefit than they had had applying for community charge benefit.

The remaining 13 respondents were not applying for council tax benefit at the time of the interviews and had similarly never applied for community charge benefit because they had never paid any community charge. They had either never been registered for the purposes of payment or had been registered and sent bills but did not apply for benefit because they had not intended to pay poll tax. They had never registered or not paid because they said they could not afford to pay. Some had recently received council tax forms and were worried that if forced to pay council tax they would also have to pay back all the community charge payments they should have made over the years. Although the lone parents who had never applied for community charge benefit obviously did not experience problems applying because they did not apply, several said that community charge had been a worry when they moved onto Family Credit. They had been concerned that they would be caught and expected to pay when they could not afford to and were still worried about this at the time they were interviewed.

Those who had never been on Income Support before were rather more likely not to have applied for community charge benefit. This is possibly because those who had been on Income Support were more likely to have had to register for community charge because they were receiving benefits. Over a quarter of those who had been on Income Support had, however, not applied for community charge benefit either. Most of these had been registered but had not paid, while those who had not been on Income Support and had not applied had not been registered in the first place.

Financial difficulties during the transition to Family Credit

More than three quarters of the lone parents said they had experienced at least some financial difficulty, if only temporary, when they first moved onto Family Credit. For a significant minority, financial difficulties as a result of the transition period were long term in nature.

Nine respondents, however, said they had not had any financial difficulties at this time. They had not had difficulty managing while they were waiting for wages, Family Credit and other benefits to arrive, for several different reasons:

a) Income Support was paid until Family Credit was received

Normally Income Support stops as soon as someone gets a job. They then have to apply for Family Credit, often waiting several weeks before receiving any benefit, which is then backdated. Because of the large number of new claims for Family Credit in April 1992 and resultant delays in processing these claims, those who had transferred from Income Support to Family Credit were allowed to continue claiming Income Support until their Family Credit was assessed. The claim was not then backdated as it usually is. The three respondents who transferred to Family Credit in April 1992 did not face financial difficulties because they were able to benefit from this. Helen Cunningham said, for example,

"... I still had my Income Support book where I was on Income Support and I was allowed to keep getting that until they wrote and asked for my book back when they had been notified I was getting Family Credit"

b) Maintenance payments were received

Mary Watson said

"It wasn't too bad because I was still getting money from my husband then".

She had not experienced financial difficulties at the time because she had been receiving maintenance payments.

c) Savings were used

Margaret Galloway said she had not faced financial difficulties during the transition period because she had savings in the bank which she was able to use while waiting for wages and benefits to arrive.

d) Living with a parent

Rebecca Quinn said she did not have any difficulty managing because

"....I was working more hours then so I was getting more wages anyway and I was staying with my Mum at the time so she helped out".

She had not had financial difficulties on moving onto Family Credit because she had been living with her mother and had not had to pay rent or other bills at the time.

e) Only waited one week for money

Lastly, there were three people who said they only had to wait a week before they received any wages and that they were, therefore, able to manage on their wages and Child Benefit until they received their Family Credit. John Finlay said , for example,

"Well when I wasn't working I had got my money fortnightly so getting it weekly wasn't bad. Even without the Family Credit, before that came I was getting more than I was before so I didn't have any problems".

These respondents had been able to cope financially whilst waiting for benefits to arrive because they had had some other source of income upon which they could rely, or because they had only had to wait a short time before receiving any income. The majority of the sample, however, had had problems managing during the transition period. Those who were paid monthly and had to work a month before receiving any wages said the

transition period was a particularly worrying time. Louise Buckley had to work a month before she received any wages and said she found this extremely difficult,

"If it hadn't been for my parents helping out with expenses for work and for my messages until I got my first months wages then I would have experienced major problems. I had to borrow to get through that and I'm not out of the muddy water yet. I still owe my Mum money from that time, but she was really good, I couldn't have done it without her. I don't know how I would have fed four kids for a month if she hadn't got my messages for me, and I needed bus fares to get to work, new clothes, everything really. It's a time when you've got more expenses than usual and you've got no money"

It would have been impossible for Louise to have supported her and her four children for a month on Child Benefit alone. Not only was she unable to pay rent and other bills but would not have been able to buy food or have even been able to get to work if she had not been able to borrow money from her parents. Many of the lone parents had been forced to borrow money at this time. In all 13 people said they had borrowed money from friends or relatives. For example,

"... I had great difficulty I had to borrow off my family" (Paula Lawson)

"... I don't know how I managed. My Dad was good to me. If it hadn't been for my family helping out I wouldn't have managed at all. They're really good to my daughter. Plus the fact that she didn't get free school dinners anymore that was really difficult" (Frances Hall) and

"... I didn't get any wages for six weeks after I started which was terrible. I had to borrow a lot of money off my family" (Zoe Smith).

Most of those who borrowed money from family or friends said they only experienced financial difficulty for a short time since they had been able to pay back what they had borrowed once their Family Credit came through. Gemma Lawrence said, for example,

"... I had to borrow off my family and friends so when the Family Credit and wages arrived I had to pay it all back again"

For others, however, the debt incurred during the transition period was more long term. At the time of the main interviews, which were up to two years after they had first claimed Family Credit, some people were still paying back money they had borrowed during the transition period. Louise Buckley had not yet repaid all the money she had been forced to borrow

during the first few weeks of being on Family Credit. She said she had attempted to obtain money through other channels but had been unable to,

"I had the interview on the Wednesday and was told I had the job to start the following Monday, so there was a big panic. I phoned the DSS on the Friday and asked them about my book because I was going to get a monthly wage and was a bit worried about what I was going to live on. They said to send the book in and they would send me what was owing, but they only sent me a giro for four days which they said I was due. So my family had to lend me money. I don't know what I would have done if I hadn't been able to rely on them. I asked if I could get a crisis loan but they said you could only get them for specific items like children's clothes so I really needed my family. I'm still paying them back now".

Samantha Miller said she had been able to get help from the DSS after her Family Credit had taken more than two weeks to come through but this was only because she had first applied several years ago. She said you were no longer able to do this and she added that it had not been easy obtaining help even then. Claire Marshall also mentioned that Family Credit claimants used to be able to get a giro in lieu of wages when they first got a job. She said she could not understand why you could no longer do this. She too had had to borrow money from her family to cover the four weeks she had to work before she received any wages.

One woman said she had managed to get an advance on her wages and had also borrowed money from a friend. The remainder of those who said they had faced financial difficulties said they had not borrowed money and had had to try and manage as best they could:

" I just managed to scrape through on my wages and Child Benefit. It was very difficult, but when it comes through its all backdated so you can pay everything off again" (Sandra Hill)

" I just managed to scrape by. I'm used to having to cope on a tight budget because even when I was married we lived on a low income. I didn't borrow any money because it's not worth it you only have to pay back more again. I had a weeks lying time at work, it's just a good job I wasn't paid monthly, I would have had to borrow then" (Donna Kelly) and

"I kept my book for two weeks and then struggled for another two and they didn't make me pay it back, but it was really difficult. It's not a good way to start." (Rachel Stevenson)

Several people mentioned, like Sandra Hill, that they managed to avoid getting into long term debt because they were able to pay off any bills

which had accumulated once they received their Family Credit and Housing Benefit entitlements. There were others, however, who were not able to clear their debts even when they received backdated benefits. A number of the respondents had fallen into rent arrears during the transition period. Sarah Taylor said, for example

"I ran up arrears with my rent which I was hassled about. It was pretty bad I thought about giving the whole thing up at one point",

and Deborah Morris said

"...it was during the school holidays so I was only getting the £60 a fortnight from the cleaning job, so I was living on the wages just from the one job. If it wasn't for the rent I might have been able to manage, because its okay when the Family Credit's backdated but I got into arrears with the rent which I've still not finished paying off."

The reason why people ended up with rent arrears was because although Family Credit and Housing Benefit were backdated, most people did not know, as was discussed earlier, how much rent they would have to pay. By the time they had received confirmation of their Housing Benefit entitlement they had often fallen behind with their rent and if they received less Housing Benefit than they had hoped for they were unable to pay off the arrears in full. As was said earlier, it was quite common for the lone parents to receive less Housing Benefit than they had expected and so several of the respondents had been unable to pay off all their rent arrears.

Some respondents found it extremely difficult, therefore, to budget during the transition period because they were uncertain how much their total income was going to be until they had received confirmation of how much they were going to receive in benefit payments. If they had inaccurately predicted how much benefit they were going to receive then they were often unable to pay off the debts that had accrued during these first few weeks. Despite this, less than a quarter of the sample said the transition period had left them with any long term debt. So although most of the sample had had difficulty in managing for the first few weeks after they had claimed Family Credit, difficulties were normally only short term, and they were able to repay any debts once they received backdated Family Credit and Housing Benefit payments.

Those who had never claimed Income Support were slightly more likely to say they had not experienced financial difficulties on moving onto Family Credit. All those who said they had incurred long term debt due to the difficulties faced in the transition period had previously claimed Income Support. Most of those who said they were unable to repay debts that had accumulated even after receiving backdated benefits said, however, that they had already been in debt when they went onto Family Credit. Obviously someone who transfers from Income Support to Family Credit and already has debts is likely to experience more financial difficulties.

The lone parents were asked whether they had any debts when they moved onto Family Credit and whether they had to make new arrangements to pay off such debts once they were in receipt of Family Credit. 26 of the respondents had no debts at all when they first claimed. A third of the respondents said, however, that they did have debts. They were all ex-Income Support recipients, which is perhaps not surprising since people are likely to have incurred debts after having spent several years on a low income. The large majority of them had planned to work and claim Family Credit. They were often those respondents who said they had been unable to manage on Income Support and had seen employment and Family Credit receipt as a means of improving their financial position.

Of the 14 who said they did have debts, four had only fairly minor debts. The other nine, however, had more major debt and usually owed money to more than one source. Two owed several hundred pounds to family members and they paid back a specific amount each week. The other seven had debts comprised of one or more of the following: rent arrears, social fund loan repayments, electricity arrears, poll tax arrears, catalogue debt, and credit card debt. All seven said they had to increase their debt repayments once they were working and claiming Family Credit. None had expected to have to do this when they went onto Family Credit. Some said their repayments went up quite a bit and they had found it difficult to pay them. One woman was eventually forced to go bankrupt because she was unable to cope with the large repayments she had to make to a credit card company. Three of the seven said, however, that they were satisfied with the amount their payments were increased to and that they were able to meet these payments, although they had experienced problems during the

first few weeks of claiming Family Credit. The others missed payments when they first moved onto Family Credit and did not succeed in catching up once they received benefits. These lone parents fell still further into debt as a result of the difficulties of the transition period, therefore.

Most of the sample experienced at least short term financial difficulties when they moved onto Family Credit, therefore. Some people had expected to experience such problems but others had had no idea what to expect. Just over a third of the respondents said they had expected to experience financial problems when they went onto Family Credit. Many of these said that it informs you in the Family Credit booklet, that it could take a while before any benefit is received and tells you to expect short term difficulties. Donna Kelly said, for example,

"... it says you're going to in the leaflets. It says you can get a loan to cover until you get the Family Credit but you only have to pay it back again. But I suppose it would have helped if I'd really needed it."

The information received by the respondents appeared to be somewhat contradictory, however. Donna Kelly said the Family Credit leaflet informs people they can get a loan while waiting for benefit, but a small number of the lone parents had actually tried unsuccessfully to obtain a loan. A couple of people said the CAB had advised them to expect difficulties when they first claimed Family Credit and they were, therefore, prepared for short term problems. Christine Clark said she had expected problems because a friend who claimed Family Credit had told her what to expect. She went on to say

"...I think it's bad the way they take your book as soon as you tell them you've got a job and expect you to survive on nothing in the meantime. They want people to work but they're not prepared to do anything to help you at all".

More than half the lone parents said they had not expected to experience financial problems when they went onto Family Credit. For example:

"No because they tell you about fast Family Credit. I was told it would only take a week but it took ages, although it's all backdated in the end. I had to put up with it though because I couldn't stay on Income Support after I was caught, I had no choice" (Deborah Morris) and

"I didn't think I'd be left just to live off my wages for over a month I thought I'd get something. They rely on the fact that you've got family to help you, it's the same with childcare". (Joanna Russell)

The point made by Joanna Russell appears to be fairly fitting considering the fact that a large proportion of the sample got through the transition period without incurring long term debt only because they had been able to borrow money from relatives. One woman who had not expected to encounter financial difficulties said she would never have come off Income Support had she known beforehand what difficulties she would face.

Those who had claimed Income Support before, particularly those who had planned their move into employment with Family Credit, were the most likely to say they had expected to encounter difficulties initially. This was because several of them had attempted to find out about Family Credit before deciding to claim it, and because they appeared generally to have a better knowledge of the benefit system than those who had never claimed Income Support and had not planned to work and claim Family Credit. Those respondents who had never claimed Income Support only expected to experience financial difficulties when moving onto Family Credit if they had sought advice from the CAB prior to claiming.

c) Confidence related difficulties

In addition to the benefit and financial difficulties which were related in response to specific questions in the interview schedule, some of the respondents volunteered other information concerning the problems they had experienced during the transition to Family Credit. For some of the lone parents the transition to Family Credit occurred at the same time as a return to the labour market. While a large number of them had already been working for some time when they started to claim, others had been out of the labour market for some time when they first obtained employment of 16 hours or more and claimed Family Credit. Some of these lone parents, in addition to the problems already discussed, said they experienced difficulties related to confidence.

More than a quarter of the respondents mentioned that they experienced difficulties connected with confidence during the transition period. This was normally a lack of confidence when they first started a job after having been out of the labour market for so long. Both Louise Buckley and Tania Patton said they had experienced difficulties:

"Confidence is the main problem, your confidence has gone because you've been just a Mum for so long. It can be quite nerve wracking going back to work when all you've done is looked after children for such a long time" and

"You've got to build up your confidence, I was very nervous. When I look back on it I don't know how I could have been in such a state, it was really hard but I knew I had to do it".

These respondents had both claimed Income Support before and had been nervous about going back to work after being out of the labour market for many years. A few of those who had never claimed Income Support also mentioned that they had experienced confidence related difficulties during the transition to Family Credit. These lone parents had already been in employment when they first claimed Family Credit, so for them problems with confidence were not connected to returning to work. Rather the transition to Family Credit occurred at the same time as a separation from a partner, which understandably caused some of the respondents to lack confidence at this time. Alison White said, for example,

"I wasn't very confident at the time, it was all a big worry. The breakup came as a bit of a surprise and I was left very nervous, not knowing what I was going to do. I didn't know anything about benefits and I knew I couldn't manage just on my wages so I went to the CAB who were a big help. They told me about Family Credit and told me I would be able to get a rent rebate."

So some respondents mentioned that they had experienced problems relating to confidence when they first moved onto Family Credit. Those who said they suffered from a lack of confidence when they first went back to work said things were not usually as bad as they had expected and that they soon settled into their new jobs. For those lone parents who said they were lacking in confidence because they had recently split up with a partner, it sometimes took longer for confidence to return. They often suffered considerably during the transition period to Family Credit because benefit and financial worries added to what was already a traumatic period.

Conclusion

It was seen in Chapter 3 that two research questions were intended to guide the investigation into the difficulties of the transition period to Family Credit. The first of these questions was: What difficulties do lone parents encounter on moving onto Family Credit?

This chapter has shown that a large number of the lone parents in this study experienced at least short term financial difficulties when moving onto Family Credit. These financial difficulties were due to problems with benefits. There were two main problems. Firstly, it often took several weeks for benefits to arrive by which time people had fallen into debt. Secondly, people were often unsure how much benefit they would be entitled to and found it difficult to budget accordingly in the meantime.

Many of the respondents said they had experienced difficulties as a result of delays in the processing of benefit claims. Most people were actually relatively pleased with the speed with which their Family Credit application had been dealt with. There was far less satisfaction, however, with the length of time it took to process Housing Benefit and Council Tax benefit applications. Two thirds of the sample said they had experienced problems with their Housing Benefit claim. Many people said it was months before they received any benefit. The major difficulty with benefits taking weeks or in some cases months to process, was that people had to manage on their wages and Child Benefit during this time and for those who were paid monthly this was a particular problem.

Family Credit and Housing Benefit were backdated to the date of application so benefit delays should not in theory have caused too many problems. However, because people were often unsure how much benefit they were going to receive, they often experienced difficulties in budgeting during this time. Only 17, 43% of the sample said they had received the amount of Family Credit they had expected. This is a similar figure to the 46% of the DSS/PSI sample who had been able to guess the size of their Family Credit award more or less accurately (Marsh and McKay, 1993). Fourteen, 35% of this sample had received more Family Credit than they had expected, 20%

had had no idea how much to expect and just one respondent received less than she had expected. In the DSS/PSI study, 38% of the sample had received more Family Credit than expected and 15% less (Marsh and McKay, 1993). Because the majority of those who had not received the amount of Family Credit they had expected actually received more than expected, there had not been too many problems.

The main difficulties arose once again over Housing Benefit. There is no doubt that Housing Benefit was often a big worry for the lone parents when they first moved onto Family Credit. Only a quarter of the sample had known how much Housing Benefit they would receive. The remainder had had no idea how much to expect and so did not know how much of their rent they would be expected to pay themselves. A few people actually received more Housing Benefit than they had expected as they had been unsure whether they would be able to claim at all. Most people ended up receiving less benefit than they had expected, however. Some people had expected to receive full Housing Benefit and to pay no rent at all. Others had known they would have to pay something but had expected to get much more benefit. The same was true of Council Tax Benefit, with many people eventually finding out that they were not eligible to claim it at all. By the time they had been informed that their claim was unsuccessful, however, they had already fallen into arrears which they were unable to repay.

While applying for Family Credit itself did not cause the lone parents too much trouble, therefore, most of them experienced some difficulties when first claiming it because they had to apply for a combination of benefits. When they first applied for Family Credit, most of the respondents also had to apply for Housing Benefit and sometimes Council Tax Benefit as well and the vast majority experienced at least short term problems in doing so.

The second research question was: How are lone parents able to cope with the difficulties of the transition period? It was found that for most of the lone parents, the difficulties of the transition period were only short term. They were able to repay rent and other arrears once their backdated benefit entitlement arrived. A small minority actually said they experienced no problems at all during this time. A small minority did, however, experience more long term problems.

Although benefit delays and lack of knowledge about how much benefits would be received caused three quarters of the sample to have some problems managing during the transition period, this only normally lasted for a couple of months at most. A third of the sample were forced to borrow money, especially from family or friends, but were normally able to repay such loans once they received backdated benefits. Others said they tried to manage on the income they had and did not resort to borrowing. They were able to pay off rent arrears and bills which had accumulated once benefits arrived.

Almost a quarter of the sample did, however, experience more long term problems. All those who did so had previously claimed Income Support. Rent arrears were a particular problem. Some people were unable to pay off all the rent arrears they had incurred by the time Housing Benefit was received because they had received less benefit than they had expected. As a result they were paying off rent and poll tax or council arrears for a long time. A few people had even been threatened with eviction. Corden and Craig's research also found that some people experienced long term financial problems as a result of the transition to Family Credit, with rent being a particular problem. They too stressed that uncertainty over how much benefits were going to be available attributed to the difficulties faced by new Family Credit claimants (Corden and Craig, 1991).

Whether or not the respondents had been in any debt at the time they had made the transition to Family Credit affected the severity of the difficulties they experienced. All those who had debts when they moved onto Family Credit were ex-Income Support recipients. They found that once they were in employment and no longer receiving Income Support, that they would be expected to increase their debt repayments. Although a couple said they were happy with the amount their repayments were increased to, most said they had difficulty meeting the increased payments and this added considerably to the financial problems they experienced when moving onto Family Credit.

A quarter of the sample said they had had no difficulties at all when they moved onto Family Credit. Their experiences of the transition period were relatively unproblematic for one of two reasons. Some had an alternative

source of income upon which they had been able to rely while awaiting wages and benefits. One person was able to use her savings, one was receiving maintenance payments, one received help from a parent and three were able to continue claiming Income Support until they received Family Credit. A further three people had no alternative source of income upon which they could rely but said the transition to Family Credit was relatively stress free because they only had to wait a week before receiving wages and their benefit applications were processed fairly quickly.

Although most of the sample did experience problems on moving onto Family Credit, difficulties were normally only short term and were resolved once benefit entitlement had been established. For some, however, the difficulties encountered were of a more long term nature. Perhaps the most important conclusion to be drawn from this chapter is that regardless of whether difficulties were short or long term, many of the lone parents who were interviewed had experienced many weeks of worry on moving onto Family Credit. Although problems were generally resolved relatively quickly, this does not mean that the transition to Family Credit is not a traumatic time for many lone parents.

The four week continuation of Housing Benefit which was introduced in 1996 may lessen the difficulties faced by lone parents on moving onto Family Credit. A lone parent who moves from Income Support to Family Credit is now able to continue receiving full Housing Benefit for a month (Evans, 1996; Finlayson and Marsh, 1997). It is also possible that lone parents now receive Family Credit much quicker than the lone parents in this study, most of whom applied before the introduction of fast track Family Credit.

Chapter 8 The respondents perceptions of their financial position

As was seen in Chapter 3 one of the main areas the research was designed to investigate was perceptions of employment and Family Credit. One of the research questions which was established with a view to investigating perceptions of employment and Family Credit was, 'What are lone parents perceptions of their financial position?' Another was 'Do lone parents view employment with Family Credit as a means towards securing eventual financial independence?' This chapter seeks to provide answers to these questions.

The chapter begins with a brief account of the sources and levels of income of the sample and of their main items of expenditure. It then attempts to differentiate the lone parents according to their varying perceptions of their financial position. It illustrates this differentiation by providing examples of how individual lone parents perceived their financial position according to the extent to which they felt they were financially secure on Family Credit. It then examines which factors appeared to be the most important in accounting for the respondents' perceptions of their financial situation. Lastly the chapter examines the extent to which the respondents felt they would be able to improve their financial position in the future and whether ultimately they believed they would be able to become financially independent.

Sources of income

The respondents' income was made up of three or four of the following:

- 1) Wages
- 2) Family Credit
- 3) Child Benefit and One Parent Benefit
- 4) Maintenance

At the time of the main interviews all 40 lone parents received wages, Family Credit and Child Benefit and One Parent Benefit but only three received any maintenance.

1) Wages

The wage rates of the sample ranged from £2 an hour to £5 an hour. More than three quarters of the sample earned between £3 and £5 an hour but nine people earned less than £3 an hour. The median hourly wage rate of the sample was £3.58. As might be expected from a sample consisting of Family Credit recipients, the hourly wage rates of the sample were, therefore, quite low.

The weekly net wages of the sample, i.e the amount they took home each week after Income Tax and National Insurance deductions, can be seen in Appendix 5. They ranged from £32 for a woman who worked 16 hours a week to £151 for a woman who worked 35 hours a week. The majority of the sample received net wages of between £50 and £100 a week but four people received less than £50 a week and eight more than £100. The median net weekly wages received by the sample was £74. Half the sample paid Income Tax and National Insurance Contributions on their wages, 14 paid only National Insurance Contributions. Six people paid neither Income Tax or National Insurance Contributions.

2) Family Credit

The amount of Family Credit awarded to a lone parent depends upon the level of net wages and maintenance she receives and the number of children she has. Since the net wages received by the sample were generally quite low, the amount of Family Credit received was generally quite high. The weekly amount of Family Credit received by the sample ranged from £11 to £89, as can be seen in Appendix 5. The majority of the sample received between £40 and £70 a week, although nine received less than £40 a week and eight more than £70 a week. The median amount of Family Credit received per week was £53. This is a very high figure when compared to the average Family Credit award for lone parents in the

DSS/PSI study which was £31.50 (Marsh and McKay, 1993). It is high due to the method of sample selection. As was explained in Chapter 3, because the sample was drawn from Housing Benefit records, the lone parents in this study were more likely to have higher Family Credit awards than lone parent Family Credit recipients generally.

3) Child benefit and One parent benefit

The amount of child benefit received depended on the number of children a lone parent had. All lone parents receive the same amount of one parent benefit and all the lone parents in the study were claiming one parent benefit. At the time of the first interviews, the respondents received £16.05 in Child Benefit and One Parent Benefit per week if they had one child, £24.15 if they had two children, £32.25 if they had three children and £40.35 if they had four children.

4) Maintenance

Only three people, less than 8% of the sample, received maintenance payments. This figure is very low. In the DSS/PSI study, lone parents who were in work and receiving Family Credit were more likely to receive maintenance than those not in work, 36% compared to 22% (McKay and Marsh, 1994). The small amount of lone parents who were getting maintenance in this study is, therefore, far below that even for lone parents who were not in employment in the DSS/PSI survey. It is difficult to suggest why so few of the respondents should have received maintenance.

Of the three who did get maintenance, one received £15 a week for two children, one got £25 a week for two children, the other £40 a week for two children. Before April 1992 maintenance was fully taken into account when calculating entitlement to Family Credit but since then the first £15 of maintenance has been disregarded. For every pound of maintenance received after that 70p is deducted from the lone parent's Family Credit

entitlement. As a result the three respondents who received maintenance should have been slightly better off than those who did not.

Throughout this chapter I will use the term 'total weekly income' to mean the total amount of money a lone parent received each week from net wages, Family Credit, Child Benefit and one parent benefit and maintenance. Although the amounts received from each source separately varied quite considerably between respondents, when added together to form their total weekly incomes, amounts did not vary greatly overall, if account was taken of the number of children they had. Those who worked the longest hours only had slightly larger total weekly incomes than those who worked the shortest hours. The proportion of their total weekly income which was accounted for by net wages alone was, however, usually much higher than for those who worked less hours.

Indeed the proportion of total weekly income accounted for by each of the four sources discussed above is of far more importance than the actual amount of total weekly income. It is important because it gives an indication of the extent of dependency upon Family Credit. Appendix 5 illustrates how the lone parent's total weekly incomes were made up and shows how important net wages, Family Credit, Child Benefit and One Parent Benefit and maintenance were in accounting for total weekly income. Net wages were the largest source of weekly income for 28 of the respondents. For the other twelve, rather than acting as a top up to wages, Family Credit itself accounted for a larger proportion of total weekly income than net wages. These 12 all worked 20 hours or less a week and ten of them had two or more children. They would have to increase their net wages by a substantial amount in order to become completely independent of benefits.

Appendix 5 shows that overall, net wages accounted for between 24% and 84% of the total weekly income of the respondents. Of the eight people who worked 30 hours or more, net wages accounted for 59% or more of total weekly income. Family Credit accounted for between 6% and 51% of total weekly income. In almost all cases Family Credit made an important contribution to total income. Child Benefit and One Parent Benefit

accounted for 13% of total weekly income on average. Maintenance was a negligible source of income even for those who received it and in only one case did it account for more than a fifth of total income.

Sources of expenditure

There were four forms of expenditure which the lone parents might have to pay because they were working and in receipt of Family Credit which they would not have had to pay had they not been working and in receipt of Income Support. These were:

- 1) Housing costs
- 2) Work costs
- 3) Council tax
- 4) School meals

- 1) Housing costs

Only three members of the sample did not pay some housing costs. Two of these were in receipt of full Housing Benefit. The other lived in private accommodation which was owned by her mother. She received some Housing Benefit and was supposed to make up the remainder of her rent but because her mother was her landlord she did not have to do this. The amount of housing costs the lone parents had to pay depended upon their Housing Benefit entitlement, which itself depended upon their total weekly income from net wages, Family Credit and maintenance. For those who paid housing costs, the amount ranged from 46p a week to £46.28 a week. The majority of the sample paid between £10 and £35 a week but five paid less than £10 a week and four over £35 a week. Of those who paid any housing costs the median amount was £19.19 a week.

2) Work costs

Lone parents who are working and in receipt of Family Credit can incur work costs in the form of childcare costs and travel costs. Over half the sample had no work costs at all. They should, therefore, have been somewhat better off than those who did. Of those who had work costs, the amount per week ranged from £2 to £30. The majority of those who had work costs had travel costs only, of less than £10 a week. Five people, however, paid more than £10 a week. Two of these paid childcare and travel costs, the other three only childcare costs. Of those who had work costs, the median amount paid per week was £6.50.

3) Council Tax

On Family Credit a lone parent's council tax payments depend on how much council tax benefit she is eligible for. This is calculated according to her total weekly income from net wages, Family Credit and maintenance. It was stated in the last chapter, that 14 of the lone parents paid no council tax at all, either because they were not registered or because they had not paid. Because they were not paying any council tax, these 14 should have been somewhat better off than those who were. Their perception of their financial position might be affected by the fact that they were not paying council tax. Of those who were paying, the amount ranged from 96p to £20 a week. The majority paid between £1 and £13 a week but three people paid over £13 a week. The median amount of council tax among those who were paying was £8.94 a week.

4) School meals

Lone parents in receipt of Family Credit do not receive help with school meals. Many of the lone parents interviewed said they had found the loss of free school meals difficult, particularly those with more than one school age child. It cost the lone parents around £4 a week per child for school meals and this sum has been used in the calculations below.

All the lone parents interviewed paid at least one, often three or even four of the above sources of expenditure out of their total weekly incomes. The amount of expenditure on these sources varied considerably between respondents. Overall, however, those respondents who had no work costs and who were not paying council tax were obviously better off than those who were because they had fewer deductions from their total weekly incomes. Throughout the chapter I will use the term 'weekly disposable income' to mean total weekly income minus total weekly expenditure on rent, work costs, council tax and school meals.

Feelings of financial security

While the respondents' level and sources of income and expenditure differed quite considerably so too did their perceptions of their financial positions, and it appeared that the two were not necessarily related in any way. What did appear to be important was the extent to which the respondents perceived themselves to be in a secure financial position. Feelings of financial security appeared to be connected in some way with other perceptions regarding financial matters. It was possible therefore, to distinguish the respondents according to the extent to which they perceived themselves to be in a secure financial position. Using this classification, the lone parents could be divided into three groups:

1) Those who felt they were in a secure financial position

These 13 lone parents were likely to say that their financial position was 'comfortable', and that they were quite 'well off'. They mostly said they were able to manage financially on a day to day basis, could afford 'extras' and were able to cope if money was required for an emergency of some sort. These respondents rarely had any debt and some were able to save out of their income. None said they worried about money. They were more likely not to have claimed Income Support before, but of those who had, all except one said they were better off than they had been on Income Support and were now able to spend more.

The lone parents who felt they were in a secure financial position were substantially more likely to be those lone parents who were identified in Chapter 6 as having made some future plans regarding employment. This is interesting because it might have been expected that those respondents who felt they were in a secure financial position may have been less likely to have made any further employment plans because they would have been happy with their position on Family Credit. Perhaps this is an indication that many of those who had made plans regarding employment for the future had not done so for financial reasons. Or maybe security provides the confidence needed to plan a further employment move.

2) Those who felt they were in a reasonably secure financial position

These 17 lone parents were likely to say that they were 'doing okay' or that they were managing to 'get by'. Most were able to cope financially on a day to day basis but some found it difficult to find money for extras or for emergencies requiring extra expenditure. Many had debts but their debt was not usually very serious. Very few were able to save out of their incomes, and most said they sometimes worried about money. They were more likely to have been on Income Support before and those who had usually felt they were now better off financially and able to afford to buy more things than they had been able to on Income Support. They were also significantly more likely to be those respondents who were identified as having made no further plans regarding employment.

3) Those who felt they were not in a secure financial position

Most of these 10 lone parents said they had trouble managing even on a day to day basis. They all said they could not afford to buy extras or cope with emergency situations requiring additional expenditure. Most had debts which were sometimes quite serious, and none were able to save. Most said they worried about money on a regular basis. They were almost equally as likely to have claimed Income Support before as not, but if they had, were unlikely to say they were any better off than they had been on Income Support. Half had made employment plans for the future, the other half had not. Again this is quite interesting because it might have been expected that those who felt they were not in a secure financial position

would have been more likely to have made plans with the aim of trying to improve their financial position. Again, however, it might be that insecurity undermines the confidence to make further plans.

In order to illustrate the lone parents' different perceptions of their financial positions on Family Credit two examples from each group identified above are discussed below. The lone parents used as examples had all claimed Income Support before so their financial positions on Income Support and Family Credit can be compared.

Lone parents who felt they were in a secure financial position

a) Margaret Galloway had one dependent child of 14 and worked 31 and a quarter hours a week. Her financial position at the time of interview was as follows:

INCOME	per week	EXPENDITURE	per week
Net Wages	£88.00	Rent (minus Housing Benefit)	£36.50
Family Credit	£46.00	Work Costs	£6.75
Child Benefit and One Parent Benefit	£16.05	Council Tax	£10.00
		School Meals	£4.00
Total Income	£150.05	Total Expenditure	£57.25
TOTAL WEEKLY INCOME - EXPENDITURE		£92.80	

Margaret's disposable income was £92.80 a week after deducting rent, work costs, council tax and school meals from her total weekly income. Had she still been on Income Support she would have received a total weekly income of £80.70 from Income Support, Child benefit and one parent benefit and would not have had to pay rent, work costs, council tax or

school meals. She is, therefore, £12.10 a week better off by working and claiming Family Credit.

Margaret said she was not really sure whether she was any better off now than she had been on Income Support because

"I always had money I could use in emergencies, although I did find that I had to dip into my savings quite often when I was on Income Support."

She said she had expected to be better off than she in fact was by working and claiming Family Credit and that she was not able to spend more now than she was on Income Support. She said, however, that she had always been able to afford everything she wanted even when on Income Support because she had always had savings she could use.

Margaret had no debts and never borrowed money. She said she was able to save on a regular basis because

"I limit myself to a budget every week which I always keep to as I'm good with money".

She said she had always felt that she was in a secure financial position even when she was on Income Support and that she had never worried about money.

Margaret was reinterviewed eleven months after her first interview. Her financial position had changed very little except her net wages had gone up and her Family Credit entitlement had gone down. She was also no longer entitled to Housing Benefit and paid full rent. Overall, however, she said her financial position was exactly the same as it had been at the first interview. The following shows her financial position at the time she was reinterviewed and reveals that her weekly disposable income is actually a couple of pounds lower than it was at the first interview.

INCOME	per week	EXPENDITURE	per week
Net Wages	£95.00	Rent	£41.00
Family Credit	£40.75	Work Costs	£6.75
Child Benefit and One Parent Benefit	£16.35	Council Tax	£10.00
		School Meals	£4.00
Total income	£152.10	Total Expenditure	£61.75
TOTAL WEEKLY INCOME - EXPENDITURE		£90.35	

b) Claire Marshall had one child of 11 and worked 23 hours a week. Her financial position at the time of interview was as follows:

INCOME	per week	EXPENDITURE	per week
Net wages	£84.00	Rent (minus Housing Benefit)	£00.00
Family Credit	£45.00	Work costs	£00.00
Child Benefit and One Parent Benefit	£16.05	Council tax	£9.00
		School meals	£4.00
Total income	£145.05	Total expenditure	£13.00
TOTAL WEEKLY INCOME - EXPENDITURE		£132.05	

Claire's weekly disposable income was £132.05 a week. Had she still been on Income Support her weekly disposable income would have been £80.70. She was, therefore, £51.35 a week better off by working and claiming Family Credit. Although her level of total weekly income was quite close to that of Margaret Galloway above, her disposable income was a lot higher because she did not pay any rent or work costs. She was supposed to pay part of her rent herself but she rented her house from her mother who only took what she received in Housing Benefit.

Claire thought she was "quite a lot better off" now than when she had received Income Support. She said she considered herself "quite well off really" and said she had not expected to be better off than she actually was. She said she was now able to buy clothes which had been difficult on Income Support, and if she was to save up she said she might even be able to afford a holiday.

She had no debts and never borrowed money. She said she did not save any money but "I would probably be able to if I put my mind to it". Although she said she had felt financially secure ever since she had been working and never worried about money, she said she was somewhat worried because her job was not secure.

When Claire was reinterviewed a year later she had increased her working hours to 30 a week so her net wages had increased. Her Family Credit entitlement had, therefore, been reduced and she was having to pay much more council tax. She no longer received any Housing Benefit but still did not pay any rent.

"Although I now work longer hours and have had a salary increase I receive less in rebates. So I have gained but lost at the same time leaving my financial position more or less the same".

Her financial position at the time of the second interview was as follows:

INCOME	per week	EXPENDITURE	per week
Net wages	£113.26	Rent	£00.00
Family Credit	£45.00	Work costs	£00.00
Child Benefit and One Parent Benefit	£16.35	Council tax	£15.25
		School meals	£4.00
Total income	£174.61	Total expenditure	£19.25
TOTAL WEEKLY INCOME - EXPENDITURE		£155.36	

This shows that while Claire felt her financial position had remained the same, she was actually quite a bit better off than she had been at the first

interview. Had she been paying rent, however, this would have increased as a result of her net wage increase and she would probably have only been slightly better off by working more hours.

Lone parents who felt they were in a reasonably secure financial position

a) Christine Clark had one child of 11 and worked 35 hours a week, her financial position was as follows:

INCOME	per week	EXPENDITURE	per week
Net wages	£151.00	Rent	£46.28
Family credit	£24.00	work costs	£15.00
Child Benefit and One Parent Benefit	£16.05	Council tax	£12.25
		School meals	£4.00
Total income	£191.05	Total expenditure	£77.57
TOTAL WEEKLY INCOME - EXPENDITURE		£113.48	

Christine's disposable income was £113.48 a week. Had she still been on Income Support and not working she would have received a weekly disposable income of £80.70. She was therefore, £32.78 a week better off by working and claiming Family Credit. Although she had the highest net wages of the whole sample her weekly outgoings were quite high which significantly reduced her level of disposable income. She did not receive Housing Benefit.

Christine said she was not sure whether she was any better off than she had been on Income Support, because

"...with things like council tax you get that paid on Income Support whereas now I've fallen three months behind and they said they're going to deduct £100 out of my salary next month. So probably when you take everything into account things are about the same financially as they were on Income Support".

She said she had expected to be better off working and claiming Family Credit than she actually was

"...because I've got rent arrears and after you've paid rent and council tax the amount left over for food and bills isn't any more than I got on Income Support".

Although she said she was unable to spend any more than she had on Income Support, Christine said she had been able to go on holiday since she had been working because she had been able to get a loan,

"I would never have been able to get a loan to go on holiday when I was on Income Support but as long as the bank see that you have a regular salary going in they're happy to give you credit when you're working."

As well as having rent and council tax arrears, Christine also had a bank loan which she paid back at £35 a month. She said she quite often borrowed money from family and friends and was unable to save any money out of her income. She said she thought she was in a reasonably secure position and had always been even when on Income Support, as

"I'm just about able to pay everything that needs paying out of my income so long as I can keep my job which I hope is secure, but you never know these days".

She said she sometimes worried about money, however.

Christine was reinterviewed 11 months after her first interview and said

"I do feel I'm a bit better off now, but it's probably because I've paid off the loan and I sent back the video I was hiring and it all helps. I've also stopped paying into a private pension scheme as I couldn't afford it anymore".

Her net wages had increased and her Family Credit had gone down since the first interview. She still paid full rent and full council tax but said she was no longer paying her council tax as she simply could not afford to do so. Her disposable income had changed very little since the first interview but as the above quote shows, Christine said she felt she was a bit better off because her personal outgoings were less than they had been. Her financial position at the time she was reinterviewed was as follows:

INCOME	per week	EXPENDITURE	per week
Net Wages	£160.00	Rent	£46.28
Family Credit	£9.00	Work costs	£15.00
Child Benefit and One Parent Benefit	£16.35	Council tax	£12.25
		School meals	£4.00
Total income	£185.35	Total expenditure	£77.53

TOTAL WEEKLY INCOME - EXPENDITURE £107.82

Although Christine said she thought she was a bit better off than she had been at the time of the first interview, her income and expenditure figures show that she was actually worse off. The reason for this is that at the time of the first interview she had increased the hours she worked but her Family Credit entitlement had still been based on the net wages she had received when working 25 hours a week and not 35. At the time of the second interview she had reapplied for Family Credit and it had been reduced as a result. She felt slightly better off, however, because she was not actually paying the £12.25 in council tax and had made other deductions to her weekly budget.

b) Donna Kelly had two dependent children aged 14 and two and worked 25 hours a week, her financial position was as follows:

INCOME	per week	EXPENDITURE	per week
Net wages	£76.32	Rent (minus Housing Benefit)	£37.50
Family Credit	£61.75	Work costs	£30.00
Child Benefit and One Parent Benefit	£24.15	council tax	£17.50
		School meals	£4.00
Total income	£162.22	Total expenditure	£89.00

TOTAL WEEKLY INCOME - EXPENDITURE £73.22

Due to her high outgoings, particularly the £30 a week she had to pay in childcare costs, Donna's weekly disposable income was only £73.22. Had she still been in receipt of Income Support her weekly disposable income would have been £95.75. She was, therefore, £22.53 a week worse off by working and claiming Family Credit.

She said

"I'm financially no better off than I was on Income Support. In fact yes I'd say I was worse off."

She said it was hard to say by how much she was worse off but,

"...the main thing is, I don't feel the benefit of the Family Credit because it goes to pay the rent".

She said she had expected to be better off than she actually was but said she thought she would eventually be better off. She had one debt, a bank loan which she paid off at £40 a month and said she never borrowed money from family or friends because "you just have to manage with what you've got". Unlike Christine above, she said amazingly that she was able to save money out of her income, "I put money away for clothes each week". She said she felt she was in a reasonably secure financial position,

"I think I always have been really. I've always been used to managing on a low income. Even when I was married we had a low income so it's made me able to manage money well".

She said, however, that she sometimes worried about money.

Donna was not reinterviewed so it is impossible to say whether her financial position had changed since the first interview. It is unlikely, however, that it had changed significantly, since at the time of the first interview she had no plans to change her employment at all. If her employment status had remained the same then her financial position was unlikely to change until her son went to school when she would no longer need to pay for childcare except in school holidays.

Lone parents who felt they were not in a secure financial position

a) Caroline Adams had one child of five and worked 20 hours a week. Her financial position was as follows:

INCOME	per week	EXPENDITURE	per week
Net wages	£75.00	Rent (minus Housing Benefit)	£30.00
Family Credit	£46.93	Work costs	£12.75
Child Benefit and One Parent Benefit	£16.05	Council tax	£1.50
		School meals	£4.00
Total income	£137.98	Total expenditure	£44.25
TOTAL WEEKLY INCOME - EXPENDITURE		£93.73	

Caroline had a disposable income of £93.73 a week. Had she still been in receipt of Income Support her weekly disposable income would have been £73.60 a week. She was, therefore, £20.13 a week better off by working and claiming Family Credit.

Caroline said she thought she was better off than she had been on Income Support,

"I couldn't give figures but I'd say it was by quite a bit".

She said she had expected to be better off than she actually was but

"I do have a better standard of living now, I can buy better quality food now and I can buy my daughter's shoes whereas my Mum had to buy extras like that when I was on Income Support. And I can also buy some clothes occasionally as well".

She had one debt, a bank loan which she was paying back at £40 a month. She said she did not borrow money but "my parents are very good, they're always helping me out". She said she was unable to save out of her income. She said

"My job is secure but I'm not financially secure because I have no other source of income, I don't think I'll be financially secure for another ten years".

She said she constantly worried about money.

Caroline was reinterviewed 11 months after her first interview and said she felt her financial position had worsened. Her net wages had increased very slightly and her Family Credit had gone up slightly. She still had to pay the same amount of rent but her childcare costs had gone down slightly as her daughter was now at school. What appeared to have altered her perception of her financial position was that her council tax payments had been increased substantially, and she said she was unable to pay them. She also said she was unable to pay her loan repayments anymore.

"I began to wonder why I was working, I tried to reduce my hours so I could claim Income Support again but work wouldn't let me do this".

She had decided, therefore, to give up work and go onto Income Support so she could do an access course with the aim of taking a degree to give her a better chance of earning more money. Her financial position at the time of the second interview was as follows:

INCOME	per week	EXPENDITURE	per week
Net wages	£75.00	Rent (minus Housing Benefit)	£30.00
Family Credit	£53.25	Work costs	£9.50
Child Benefit and One Parent Benefit	£16.35	Council tax	£11.67
		School meals	£4.00
Total income	£144.60	Total expenditure	£55.17
TOTAL WEEKLY INCOME - EXPENDITURE		£89.43	

The above figures show that Caroline's disposable income had gone down slightly since her first interview. She felt her financial position had considerably worsened because she had fallen behind with debt repayments and no longer felt she was able to get up to date with the arrears.

b) Sarah Taylor had two children aged eight and five and worked 20 hours a week. Her financial position was as follows:

INCOME	per week	EXPENDITURE	per week
Net wages	£74.50	Rent (minus Housing Benefit)	£30.24
Family Credit	£60.28	Work costs	£00.00
Child Benefit and One Parent Benefit	£24.15	Council tax	£00.96
		School meals	£8.00
Total income	£158.93	Total expenditure	£39.20
TOTAL WEEKLY INCOME - EXPENDITURE		£119.73	

Sarah had a weekly disposable income of £119.73. Had she still been claiming Income Support she would have had a disposable income of £88.65 a week. She was, therefore, £31.08 a week better off by working and claiming Family Credit.

Sarah said she was no better off on Family Credit than she had been on Income Support because

" if you're on Income Support you can always get a part time job on the side. I was always able to get work on the side".

On the whole she said she thought she was quite a bit worse off now than she had been on Income Support, and said she had definitely expected to be better off than she was. She had quite a lot of debt some of which was quite serious including council tax arrears, fuel arrears and a lot of HP. She said she was unable to pay off all her debts and borrowed money all the time. She said she was unable to save any money. She said she was definitely not in a secure financial position. She hoped to be one day but was not very optimistic about this. She said she worried about money constantly.

Sarah was reinterviewed 10 months after her first interview and said that her financial position had worsened. Her net wages were still the same, her Family Credit was slightly higher and her rent and council tax payments

were also the same. The reason she said she now felt she was worse off was because her debts had become completely unmanageable. She still had poll tax and council tax arrears, rent arrears, electricity and gas arrears and

"I even owe money to the school for the kids dinner money, it's mortifying".

She had also taken out a loan. She said

"My debts are just getting worse, I spoke to a solicitor about my divorce and told him about all my financial problems and he said things were so bad I would be best off going bankrupt. I'm even taking in students to try and make more money, I've had three so far".

She had decided that things were not likely to improve while she was on Family Credit. She was, therefore, going to give up work to claim Income Support and take an HND at college. Her financial position at the time of the second interview was as follows:

INCOME	per week	EXPENDITURE	per week
Net wages	£74.50	Rent (minus Housing Benefit)	£30.24
Family Credit	£64.08	Work costs	£00.00
Child Benefit and One Parent Benefit	£24.60	Council tax	£00.96
		School meals	£8.00
Total income	£163.18	Total expenditure	£39.20
TOTAL WEEKLY INCOME - EXPENDITURE		£123.98	

These figures show that if account is taken of inflation, Sarah's financial position is probably almost the same as it was at the time of the first interview. Like Caroline, however, she said that her financial position had worsened considerably. This is because her debts had become more unmanageable and she was unable to meet the high repayments out of her weekly income.

Both Caroline and Sarah are typical of those lone parents who felt they were not in a secure financial position. All of those with whom a second

interview was carried out who said at the first interview that they did not feel they were in a secure financial position, apart from one whose circumstances had completely changed, said their financial position had become worse. It appears that if someone feels their financial position to be insecure, that it is likely to worsen over time if total weekly income and expenditure remain fairly constant. As a result, Caroline and Sarah and one other respondent who said her financial position had worsened, had decided that the only way to improve their position was to make significant changes to their employment status.

In contrast, none of those respondents who said at the first interview that they were in a secure or reasonably secure position and who had not changed their employment status by the second interview, said their position had worsened. All except one said their financial status was exactly the same as it had been at the first interview. The exception was a woman whose financial position had improved because she had got back together with her husband and was part of a two earner household again.

The examples which were used above are interesting in that they compare the actual and perceived financial positions of some of the respondents. It can be seen that there was no definite pattern between someones actual financial position and their perception of financial security. A good example was Donna Kelly. She had the highest combined weekly expenditure on rent, work costs and council tax of the whole sample and was significantly worse off by claiming Family Credit than if she had remained on Income Support. She felt, however, that she was in a reasonably secure financial position and even said she managed to save money out of her income each week.

By comparing the weekly disposable incomes of the lone parents on Family Credit with the weekly disposable incomes they would have received on Income Support, it was found that everyone except Donna Kelly, was at least slightly better off by claiming Family Credit. Quite a number of ex-Income Support recipients believed, however, that they were no better off than they had been on Income Support. Sarah Taylor, for example, whose financial position was used as an example above, was quite a bit better off by claiming Family Credit but felt that she was worse off. A number of

those respondents who felt they were not in a secure financial position believed they were worse off or at least no better off by claiming Family Credit. A few of these, like Sarah Taylor, were worse off, however, because undeclared earnings had boosted their incomes while on Income Support. In contrast, most of those who said they were in a secure financial position believed they were quite a bit better off on Family Credit.

Factors affecting perceptions of financial security

From the examples given above, it would appear that the lone parents' perceptions of their financial position and in particular their feelings regarding financial security, are not necessarily affected by their levels of weekly disposable income. Those lone parents with the lowest disposable incomes were not necessarily those lone parents who felt they were not financially secure and those with the highest disposable incomes were not always those who felt the most secure. Rather there are other factors which appear to be more important in accounting for the respondents' varying perceptions. From the accounts given by the respondents, the following factors appeared to be the most important:

- 1) whether they had any debts
- 2) whether they were able to cover ordinary expenses and whether they were able to afford 'extras'
- 3) how well they considered they were able to manage money and whether they were used to managing on a low income

These factors will be considered in turn:

- 1) The extent of debt

Half of the sample said they had debts in one form or another. This figure is fairly close to the 44% of lone parent Family Credit recipients who had

debts in the DSS/PSI study (Marsh and McKay, 1993). The most common types of debt were rent arrears and council tax arrears. A number of people had catalogue debts, fuel debts, credit card or store card debt, personal loans or social fund loans.

Whether or not the respondents had any debts appeared to be a major factor in accounting for their perceptions of their financial position. There was certainly a link between whether or not an individual had any debt and their feelings about financial security. A number of the respondents actually said that the reason they did not feel they were in a secure financial position was because they had debts. The following table illustrates the link between debt and perceptions of financial security among the sample:

Table 8.1 Debt and perceptions of financial security

Perceptions of financial security	Debt		Total
	Yes	No	
Financially secure	2	11	13
Reasonably financially secure	11	6	17
Not financially secure	7	3	10
Total	20	20	40

The table shows that only a very small proportion of those who felt they were in a secure financial position had any debts. In contrast those who felt themselves to be only in a reasonably secure financial position were significantly more likely to have debts and those who felt they were not financially secure were the most likely to have debts. While the incidence of debt decreased with the extent of financial security felt, so did the

amount of debt. Those who felt they were not in a financially secure position had the highest incidence of debt, and usually had the most serious debt as well. It is not surprising that debt should have such an impact upon a person's perception of their financial position, and that two people who might have very similar weekly disposable incomes might have very different views of their financial state depending on how much debt they have. Debt repayments act as deductions from total weekly income in the same way as rent, work expenses etc, so that someone who has a lot of debt will have far less disposable income left over to spend on food, bills, clothing etc than someone who has no debts at all.

Two of the lone parents who considered themselves to be in a secure financial position did have debts but in these cases the incidence of debt did not adversely affect their perception of their overall financial position. Both said their debts were not a problem because they could easily manage to pay them out of their total weekly income. For these two people the ability to manage on their income which is a factor considered below, was probably of more significance in accounting for their perceptions of their financial position than was the fact that they had debts. There were also a few people who did not have any debts but felt they were not in a secure financial position and again other factors must have been of more importance in accounting for their perceptions. While debt did not, therefore, account for all the variation in the lone parents' perceptions of financial security, it was certainly one of the most important factors.

2) Ability to afford everyday expenses and 'extras'

These are two separate points but are linked in terms of being related to people's feelings of financial security. Many of the respondents assessed their financial positions in terms of how well they were able to manage to pay for everything that was needed and how well they were able to afford 'extras' or to cope with emergency situations which required additional expenditure.

Many of those respondents who said they were not in a secure financial position said they were not able to afford ordinary day to day expenses out of their income, let alone 'extras' or 'luxuries'. Yvonne Field, said for example,

"I have trouble just paying my bills every week, you always have to rob Peter to pay Paul. You pay off one bill which means you've not got enough to pay another so that has to wait till the next week and so on. It's a vicious circle. So needless to say there's nothing left to treat yourself with. I'm always having to say no to the children, I think they've got pretty used to it by now".

Some respondents had trouble covering everyday expenses because the fact that they were in debt meant their outgoings were higher than those of some of the other respondents. Yvonne did not have any debts, but was still finding it difficult to manage to pay all her outgoings out of her total weekly income.

Most of those who said they were in a reasonably secure financial position said they were able to pay for day to day expenses, but many said there was very little, if anything left over after they had paid these. Carol Baxter said, for example,

"I get by, I can afford to pay all my bills and things but I still have trouble managing at Christmas and other times like that. I have to try and arrange things when it comes to Christmas so I might buy a few things and leave say the gas bill for a couple of weeks, but it's not easy".

Similarly, Angela McBride said

"It's a bit worrying at times, I really have to watch what I'm spending, I manage, I can pay the bills but it would be nice to be able to buy the bairn something nice every once in a while which I can't usually do".

In contrast, those who said they were in a secure financial position were much more likely to say that they were able to afford normal everyday expenses as well as extras. Rebecca Quinn said, for example,

"I'm not stuck for anything, I can pay the bills and there's usually a bit extra for things for [her daughter] and I can afford clothes and shoes and everything. But I don't drink or smoke so I think that probably makes a difference."

And Natalie Mason said

"I manage to get by, I'll be very comfortable once I've got the house done but I've managed to get all the furniture without getting into debt and I've bought all my Christmas things already so I don't do too badly. I keep thinking how much luckier I am than a lot of people, so I certainly wouldn't complain".

Many of the respondents perceptions of financial security were, therefore, affected by how well they felt they were able to manage to cover ordinary expenses as well as 'extras'. If they had difficulty in doing this then they were unlikely to say they were in a secure financial position. This factor and whether or not the respondents were in debt were probably the two most important in accounting for variation in people's perceptions of their financial position.

3) Skill at 'managing money' and previous experience of managing on a low income

These two factors which are in some ways related were mentioned by some of the lone parents as accounting for their perceptions of their financial positions. Several of those who said they felt they were in a secure or reasonably secure position mentioned that they were good at managing money and sometimes said that one of the reasons for this was because they had experience of managing on a low income. People's past financial experiences sometimes have a bearing, therefore, on their perceptions of their current financial state. For example, Donna Kelly whose financial position was discussed above, said she thought she was in a reasonably secure financial position despite the fact that she was actually worse off claiming Family Credit than she had been on Income Support. She said she felt this was partly because she was good at managing money because she had always had to live on a low income. In actual terms Donna was worse off than all the other lone parents in the sample, but she appeared to be managing on her low disposable income and even succeeded in saving money each week.

Natalie Mason who was mentioned above also went on to say that she felt the reason she was able to manage so well was probably due to her budgeting skills,

"I think the reason I manage to do okay and to buy everything I need is that I've always been good with money. When you're not getting a very high wage it certainly helps if you aren't too extravagant and are good at managing what you have got".

These two respondents and several others, felt that their ability to manage money was one reason why they felt at least reasonably financially secure. Although only a few respondents explicitly made reference to their ability to manage money, it is possible other people's perceptions of their financial position may have been influenced by this factor. For example, several other respondents who felt they were in a secure or reasonably secure financial position, said they felt their financial position always had been secure even when they were receiving Income Support. If someone is able to buy everything they need on such a low budget as Income Support and to feel that their financial position is secure, this must show some degree of ability in managing money .

A few people said their inability to manage money was one of the reasons why they were not in a secure financial position. Karen Young said, for example

"I suppose I've only got myself to blame really because I just can't stay away from the debts. I've got too much HP because I see things and I can't resist them. Especially when it's things for the kids for Christmas I go completely overboard and am paying them off for evermore. If I could stay away from the debts then I'd be alright".

Fiona O'Connor also felt she might be responsible for her financial problems, she said

"I see friends and family and they're in a much better position than I am. I thought by now at this age, that I'd be settled and secure. It's particularly annoying that friends with partners are a lot better off but then two can live as cheaply as one. I doubt I'll ever reach a secure position financially but I've come to the conclusion that I don't know if I manage money very well. I'm sure I must be better off than when the girls were younger, I've definitely got more money coming in but somehow nothing seems to improve, I've always got debts."

Some people's perceptions of their financial position were then influenced by the extent to which they felt they were able to manage money, which was sometimes learnt through experience of having to cope on a low income. Although nobody said so, it is possible that this also works the other way i.e people who have been used to living on a relatively high

income might not consider themselves to be in a secure financial position when claiming income related benefits. Two people with similar incomes and outgoings might, therefore, have very different perceptions of their financial position depending on past financial experiences.

As well as having varying perceptions of their financial position at the time they were interviewed, the lone parents feelings regarding how their financial position might change in the future also varied. They had different opinions regarding the prospect of their being able to improve their financial position and so become independent of income related benefits.

The lone parents expectations of being able to improve their financial position

Throughout the interviews, comments like the following were very typical: 'It's a vicious circle', 'you can't better yourself', 'there's no incentive', 'I ended up no better off', 'it's so frustrating'. The fact that such comments were so common show that many of the lone parents were very aware of the difficulties of trying to improve your financial position once you are in receipt of Family Credit.

Someone on Family Credit can attempt to improve their financial position by increasing the number of hours they work or by changing their job to one with a higher wage rate. Most of the sample were aware, however, that the chances of improving their financial position in any significant way by doing either of these two things were fairly slim. Many of the lone parents talked of how they had done overtime in the hope of increasing their incomes, only to find that they were little or no better off once their benefits were reduced as a result of extra earnings. Others explained how they had increased their hours or had a wage rise but not ended up much better off as a result. The following quotes are examples of what such respondents said:

"You're stuck really, you can't better yourself. My wages were increased from £2.91 an hour to £4.45 when I got the manageresses job and my hours increased from 16 to 25 but then I had to pay full rent and council tax and I got less Family Credit so I was hardly any better off even though I was working nine more hours. Now the company want me to work 30 hours which would give me about the same as I get in Family Credit which I would then lose so I wouldn't be any better off at all." (Wendy Roberts)

"At first I was only paying £5 a fortnight in rent but now I pay full rent which is £29 a fortnight just because I earnt an extra £10 in overtime, because the two monthly wage slips I sent them had the overtime on them. I was hoping for more hours but there's no incentive. For an extra £10 I ended up out of pocket by £10 a week. I wouldn't do that again" (Carol Baxter)

"Well it's true what people told me about the poverty trap because now I'm doing more hours but I'm not much better off. I was getting £400 a month wages when I was working part time but I got some of my rent paid. Its swings and roundabouts really, now I have to pay full rent and I don't even know if I'm going to be entitled to Family Credit anymore" (Christine Clark) and

"My wages have gone up from £7,200 to £8,400 in the last year but my Family Credit has gone down and I'm no longer entitled to other things so I'm not really any better off" (Louise Buckley)

Some people had made no attempt to improve their income but recognised that changing jobs in the hope of doing so might not be beneficial. Mary Watson said, for example

"... you can't increase your income on Family Credit, it's one of the reasons it would be pointless for me to earn £8000 a year. I could do that if I changed jobs but then I wouldn't be entitled to any benefits and would be worse off than I am now, so it's not worthwhile taking on any more work."

Alison White said similarly,

"They don't encourage you to do anything better, I've seen better jobs and thought about applying but for me it's not worth it because I'd lose the Family Credit and gain nothing."

Several people said that unless you were able to get a well paid full-time job then there was no point making any changes to your employment. Joanna Russell said, for example,

"The only way you can improve your situation is to get a really good paid full time job, and the chances of doing that are pretty remote. Even if I was able to get a full time well paid job I still don't think I'd benefit

at the moment because I would have to pay so much for childcare, especially in the school holidays".

Claire Marshall was also realistic regarding the prospects of being able to improve her financial position,

"There's no point upping your hours because then you get less Family Credit and basically you work loads of extra hours for nothing. Unless you work full time and can get a really good wage then you're stuck, stuck in part time work and stuck on Family Credit. And lets face it, how many well paid jobs are there around at the moment?"

Despite saying this during her first interview, by the time she was reinterviewed as was seen above, she had actually increased her hours. She said, however, as she had expected, that she was actually no better off from having done this. From her income and expenditure figures it looks like she actually is somewhat better off, but this is only likely to be in the short term because when she was reinterviewed her Family Credit entitlement was still based upon her working less hours. She had just reapplied for Family Credit based upon her new wages from working more hours but had not yet received notification of how much benefit she would be entitled to.

Like Claire Marshall, Deborah Morris had also increased her hours since the first interview. It is useful, therefore, to compare her income and expenditure figures at the time of the first interview when she was working 18 and a half hours with those at the second interview when she was working 32 hours, to see how much effect increasing her hours had on her weekly disposable income:

At first interview

INCOME	per week	EXPENDITURE	per week
Net wages	£55.00	Rent (minus Housing Benefit)	£15.00
Family Credit	£53.00	Work costs	£2.00
Child Benefit and One Parent Benefit	£16.05	Council tax	£9.00
		School meals	£4.00
Total income	£124.05	Total expenditure	£30.00
Total weekly income - expenditure		£94.05	

At follow up interview

INCOME	per week	EXPENDITURE	per week
Net wages	£70.00	Rent(minus Housing Benefit)	£21.50
Family Credit	£50.00	Work costs	£4.00
Child Benefit and One Parent Benefit	£16.35	Council tax	£11.25
		School meals	£4.00
Total income	£136.35	Total expenditure	£40.75
Total weekly income - expenditure		£95.60	

Deborah had two jobs at the time of the first interview and had increased the hours of her cleaning job for which she received low wages. Despite working 13 and a half extra hours, after tax deductions her total net wages from the two jobs had only increased by £15. As the above figures illustrate, overall Deborah had only succeeded in increasing her disposable income by £1.55 a week, and some of this amount would have been accounted for by inflation over this period. She said

"I'm no better off now I'm working longer hours because I now have more rent to pay."

She added,

"I enjoy work so I don't mind working longer hours but I had hoped to be better off than this."

Because she now received higher net wages, her Family Credit had gone down slightly and she also had to pay more rent, council tax and work costs so that overall working more hours had only a negligible effect upon her disposable weekly income.

This example shows that someone is very little better off by increasing their hours when they are in receipt of Family Credit, unless the increase in wages takes them out of eligibility for Family Credit altogether. If a wage increase leaves them still inside of eligibility for Family Credit then they are not likely to receive much of the extra money earned because of the effect of high marginal tax rates. As well as having to pay extra Income Tax and National Insurance Contributions on increased wages, lone parents on Family Credit face an additional loss of income because of the high withdrawal rates of Family Credit, Housing Benefit and council tax benefit. As a result, as the above examples have illustrated, wage increases have little effect on a lone parent's overall financial position. If she has to pay extra work costs as a result of working longer hours then a wage increase might even leave her worse off.

Those lone parents who pay Income Tax and National Insurance Contributions and receive Family Credit, Housing Benefit and Council Tax Benefit, eleven of the sample, have a marginal withdrawal rate of 96% i.e they stand to lose 96p out of every extra pound earned. 77% of the sample faced a marginal withdrawal rate of 90% or more. In the DSS/PSI survey, only 23% of lone parent Family Credit recipients had a marginal withdrawal rate of 90% or more (Marsh and McKay, 1993). Once again the high figure in this study is due to the fact that most of the respondents were in receipt of Housing Benefit. The lone parents in this study were particularly likely to be affected by the poverty trap, therefore.

Although the large majority of the sample recognised that they gained very little from increasing their wages, many of the respondents regularly

did overtime and some did occasional overtime. There were quite a few people who said that they did actually benefit financially from doing overtime because they only did it at certain times. David Wright said, for example

"I only do overtime when I've just reapplied for Family Credit. I just do it for a few weeks because you don't want to risk the extra money being on the wage slips you have to send them".

Ruth Mackenzie also said

"I do overtime but when it's coming up to claiming I don't do it so my Family Credit stays near enough the same"

and Frances Hall said

"You soon work out that you have to work it between your benefits. The first time I didn't realise and because of the overtime I'd done my rent rebate dropped and I was worse off".

Many of those who were able to choose when they wished to do overtime, were, therefore, able to arrange it so that their benefits were unaffected by the extra wages earned so they gained financially. Some people were not able to choose to do overtime when they wished. As a result some people did not do it at all because they thought it would not be profitable to do so. Although some people gained from doing sporadic overtime, there was a general consensus amongst the sample that increasing hours on a permanent basis or attempting to find a better paid job would at best result in little change to their overall financial position and would at worst be futile.

The likelihood of becoming independent of benefits

Appendix 5 showed that for 12 of the lone parents in this study Family Credit accounted for a larger proportion of total weekly income than net wages. For two thirds of the sample, Family Credit accounted for more than a third of total weekly income. Most of the sample would have to increase their net wages or increase the number of hours they worked by a

substantial amount in order to become fully independent of income related benefits, therefore.

Considering the fact that most people recognised the lack of incentive to increase their wages while on Family Credit, and many people had personal examples of how the 'poverty trap' had thwarted their attempts to improve their financial position, it might be expected that the respondents would generally be quite negative regarding their chances of being able to move off benefits completely. Over half - 22 of the sample did say they believed they would never be able to earn enough to come off benefits, at least while they had dependent children. The following quotes are examples of what they said:

"... not what I'm doing now, and with a lack of qualifications I'm not really sure what else I could do if I'm realistic about it. I've left it a bit late to think about higher education" (Mary Watson)

"No way, not unless I could get a decent job and there's no incentive to do that either, there's a lot to be said for Income Support really, at least you're not slogging your guts out for no reward five days a week" (Frances Hall)

"I would love not to have to claim benefits, but to be honest I can't see it, not until my son's off my hands" (Susan Wood) and

"I hope so but no I don't think so, it's difficult, not when you've got children you can't do it without benefits" (Angela McBride).

Only a quarter of the sample believed they would be able to earn enough to become independent of benefits, and most of these believed this would be a few years away yet. David Wright, whose son was due to start school in two years time, said for example,

"... when my son goes to school because I'll be able to work full time then".

Tania Patton whose youngest child would start secondary school in four years, said similarly,

"... but not for a few years because the kids are still a bit young but I'll probably take promotion once they're both at secondary school".

Very few people thought they were likely to be able to become independent of benefits within the near future. Only two people thought this was likely to be achievable within the next six months and neither

welcomed the prospect. The first was Christine Clark whose situation was mentioned above. At the time of her first interview she had recently increased her hours and was no longer eligible for Housing Benefit. She was worried that when she reapplied for Family Credit she might not be eligible for that either. Without Family Credit she would have been worse off than when she worked part-time. In fact Christine was still eligible for Family Credit and was still claiming when reinterviewed. As a result, she no longer felt that she was likely to become fully independent of benefits.

Wendy Roberts who was quoted above also felt independence might be achievable in the near future. She said

"If work gets away with what they're intending and make me work 30 hours a week which it looks like is going to happen soon, then I won't be able to claim anymore, but I won't be any better off at all".

While many of those who felt they would not be able to earn enough to come off benefits said that they would love to be able to do so, those who faced the prospect of this happening but who expected a rise in income to take them only just outside of eligibility for Family Credit, were not pleased because they thought they might actually end up worse off. Wendy was not reinterviewed so it is impossible to say whether she did have to increase her hours and became ineligible for Family Credit.

Mary Watson who was quoted as saying that she did not think she would be able to earn enough to come off benefits went on to express her worries of being no longer entitled to Family Credit, she said

"The only way I would be able to come off benefits is if the CSA make my ex husband pay me maintenance which would take my income just over the limit for Family Credit which I'm pretty worried about. I'm concerned that they'll make him pay me just enough to take me off Family Credit which I wouldn't want at all. Not only do I not want to have to rely on him but I'd also lose things like free prescriptions and if he didn't pay it then I'd be completely stuck."

The remaining eight respondents said they hoped they would be able to earn enough to come off Family Credit but they did not know whether this would actually happen. The following are examples of the kind of things they said:

"Maybe, I hope so anyway. When my son goes to secondary school I could do a refresher course in computing or something and try and get a better job" (Deborah Morris)

"I hope so but I'm not that optimistic. I could go back to nursing when the kids are a bit older but they're doing away with nurses at the moment" (Joanna Russell)

"I'm hoping so but I would have to get another job which might be difficult, I count myself very lucky to have been able to get this one" (Louise Buckley) and

"I want to, I could if I changed jobs but at the moment I don't know what I could do. I was hoping to do nursing but I didn't get good enough highers to get in" (Heather Lambert).

These people felt that their only chance of becoming independent of benefits would be to get a better job, but they were not particularly optimistic about being able to do this. Overall then the lone parents were not very optimistic regarding their chances of becoming independent of income related benefits. Even those who thought they were likely to be able to earn enough to come off Family Credit believed this would not happen for some time or were not pleased that this would happen. The lone parents' perceptions regarding their chances of becoming financially independent are particularly important because they affect how they view Family Credit. Rather than seeing Family Credit receipt as a temporary phase leading to full financial independence, most of them viewed it as a long term reality. Some expected to claim it indefinitely, or at least until their children had grown up. Those people who rented privately were especially likely to be pessimistic about their chances of coming off benefits. Their rent was normally in excess of £400 a month and the likelihood of their ever being able to earn enough to cover this plus all their other outgoings is extremely low.

There was some relationship between whether or not the respondents felt they were in a secure financial position and whether they believed they were likely to be able to earn enough to come off Family Credit. While four out of five of those who felt they were not in a secure financial position felt they would not be able to come off Family Credit, only just over half of those who felt they were in a reasonably secure position and just over a third of those who felt they were in a secure financial position believed

this. It would appear then that satisfaction with one's current financial position increases expectations of future increases in income.

There was some difference in whether or not someone expected to be able to earn enough to come off Family Credit according to whether or not they had been on Income Support. Those who had never claimed Income Support were less optimistic than those who had regarding their chances of becoming financially independent. It is difficult to suggest why this should be so.

It was interesting that there was quite a large difference in the lone parents' expectations according to whether or not they had any plans for employment change in the future. Some of the quotes above showed that people believed they could earn enough to come off Family Credit if they changed their job or if they worked full-time, and it is not surprising that those who had made plans concerning their future employment were less negative about their chances of being able to becoming financially independent than those who had not. In chapter 6 it was seen that during the first interviews half the respondents had made some plans regarding employment for the future. The following table illustrates the respondents' feelings as to the prospect of their becoming financially independent according to whether or not they planned to make employment changes in the future:

Table 8.2 Expectations of becoming financially independent: by whether or not planning employment change

Expects to become financially independent	Planning employment change		
	Yes n %	No n &	Total n
Yes	7 (35)	3 (15)	10
Hopefully	5 (25)	3 (15)	8
No	8 (40)	14 (70)	22
Total	20 (100)	20 (100)	40

The table shows that almost three out of four of those who had not made any plans did not believe that they would be able to earn enough to come off benefits. In contrast, those who had made plans were far more likely to think that they would be able to become financially independent, or they hoped they would be able to. Those eight who did have plans but felt they would not be able to earn enough to become independent of benefits obviously felt that even if they did make changes they would not be sufficient to lift them off benefits.

It is more difficult to explain why three of the respondents who had not made any decisions regarding employment change should feel they were likely to be able to come off benefits. One of these was Wendy Roberts who, as has already been mentioned, was expecting to come off Family Credit because she expected to have to increase her hours of work. It is less easy to explain why the other two should feel they were likely to be able to come off benefits.

Conclusion

The data collected in the main interviews and follow up interviews provided valuable evidence to answer the research questions outlined at the beginning of this chapter. In answering the first of these questions which was 'What are lone parents perceptions of their financial position?' it was found that the lone parents could be distinguished according to the extent to which they felt they were in a secure financial position, and that debt was a major factor in accounting for different perceptions of their financial position.

A third of the lone parents felt they were in a secure financial position. They were pleased with their financial position on Family Credit, talked about being 'comfortable' or 'quite well off' and said they were able to afford 'extras' as well as cope on a day to day basis. They rarely had debts, did not worry about money and were sometimes able to save. They were more likely not to have claimed Income Support before.

A quarter felt their financial position was not secure, they said they found it hard to manage even on a day to day basis and that money was a constant worry. Most had debts which were often quite large. Half of them had previously claimed Income Support . Most said their position had worsened by the time they were reinterviewed.

The remainder felt their position to be only reasonably secure. They said they were doing 'okay', or were 'getting by', that they managed on a daily basis but sometimes found it hard to find money for extras. Many had debts but not usually of a serious nature. They were more likely to have claimed Income Support before.

There appeared to be a link between peoples' perceptions of their financial position and whether or not they had made any decisions regarding employment for the future. Those who felt their financial position to be only reasonably secure were far more likely not to have made any decisions for the future. Those who had made decisions were most likely to

perceive their current financial position as secure or insecure. Those who perceived it to be insecure were more likely to be planning immediate change, while those who felt their position was secure were more likely to have made more long term decisions.

There appeared to be little link between the respondents' levels of disposable income and their perceptions of their financial position unless account was taken of debt. Those who felt their financial position to be secure rarely had any debts at all, those who felt their position to be reasonable often had some debt but it was rarely serious. Those who felt their position to be insecure had the highest incidence and severity of debt.

In answering the second research question which was 'Do lone parents view employment with Family Credit as a means towards securing eventual financial independence?' it was found that a large number of the sample recognised the difficulties involved in trying to increase their level of income on Family Credit due to the operation of the 'poverty trap'. The majority felt they would never be able to earn enough to come off benefits while they had dependent children, and were more likely to view Family Credit dependence as a long term reality rather than as a temporary measure.

The respondents provided examples at the first and second interviews of how increasing hours, changing jobs or getting a wage rise rarely left them much better off. Most were aware that they could not increase their income by a great deal unless they were able to earn enough to be taken out of eligibility for Family Credit altogether. A number of the respondents did, however, do overtime on a regular basis. They managed to profit by doing so because they avoided working extra hours when it was approaching the time to reapply for Family Credit.

Three quarters of the sample felt they would never be able to earn enough money to come off means tested benefits completely, at least while they still had dependent children. Most felt they would only achieve independence by getting a well paid job and felt their chances of doing this were slim. The majority of the respondents rather than viewing Family Credit as a

transitional stage before achieving full financial independence, saw their dependence on it as being far more long lasting, therefore. This finding appears to contradict that of Corden and Craig who found that the lone parents in their study saw Family Credit as positively associated with making progress towards eventual financial independence (Corden and Craig, 1991). Even the quarter of respondents who felt they would be able to earn enough to come off Family Credit felt that this was likely to be some time away, normally when their children were older when they could work more hours or seek better paid employment. Only two people felt they were likely to become independent of benefits in the near future and neither of them welcomed this prospect. They were worried they might end up worse off because their expected increases in income would leave them only just outside of eligibility for Family Credit. Even if people felt financial independence was achievable, therefore, they did not always see it as desirable.

The figures presented in Appendix 5 would suggest that most of the lone parents were not unduly pessimistic regarding their chances of becoming independent of benefits. They showed that the level of dependence on Family Credit for the sample was high. The fact that the average level of Family Credit award for the lone parents in this sample was so high means that they are particularly likely to be affected by the poverty trap. This might explain why they appeared to be less optimistic regarding their chances of becoming financially independent than the lone parents in Corden and Craig's study.

Chapter 9 The costs and benefits of working and the lone parents' commitment to employment

A further research question which was outlined in Chapter 3 was 'What do lone parents perceive to be the main costs and benefits of working?' This chapter seeks to answer this question. It was stated in Chapter 3 that there had been very little research into lone parents' perceptions of employment. As such it is important to investigate what they consider the main benefits and costs of work to be. Since lone parents undoubtedly face difficulties in combining their parenting role with that of employment, not least because they are both the sole economic provider and the sole carer for their children, it was assumed that the lone parents in this study would identify costs as well as benefits of employment.

The first part of this chapter looks at the costs and benefits of employment which the lone parents identified and considers whether or not they felt that the benefits of work outweighed the costs. It then looks at the potential childcare costs of working since it was expected that childcare difficulties would have been identified as a major cost by the lone parents who were interviewed. Lastly, throughout the interviews it emerged that the lone parents generally displayed a high level of commitment towards employment. The chapter ends, therefore, by considering the level of this commitment.

The costs and benefits of working

It has already been seen in Chapter 5 that many of the respondents said they wanted to work because they hoped that work would convey certain benefits for them. For example, the lone parents often said they wished to work in order that they might derive social benefits, independence or financial gain from employment. It was seen that some people wanted to work mainly for personal reasons and may not have been concerned with

the financial implications of working and claiming Family Credit. For others, however, financial factors assumed far greater importance. At the time of the main interviews the lone parents had been in employment and receiving Family Credit for between six months and seven years. They were, therefore, in a position to be able to assess what benefits they actually derived from working once they were in employment.

The following table provides a summary of the main costs and benefits of working which were identified by the respondents. The numbers represent the number of respondents who mentioned each type of cost or benefit. They total more than 40 because some people mentioned more than one benefit or cost.

Table 9.1 The costs and benefits of working

Benefits	n	Costs	n
Personal	19	Childcare worries	9
Social	17	Stress/tiredness	9
Independence	14	Lack of time	8
Financial	10	Financial	8
None	1	None	14
Total	61		48

While only one person said she did not think there were any benefits associated with working, more than a third of the sample said there were

no costs. The costs and benefits which were identified will be considered individually.

The Benefits of working

1) Personal benefits

Almost half the sample said they derived some sort of personal benefit from working. Personal benefits included such things as improved self esteem and self confidence, generally feeling better about oneself or having been given a sense of purpose. The following are quotes from some of the respondents who stressed these kinds of benefits:

"It gives you self confidence and self esteem...I don't know, I just feel better about myself working even though I'm not financially better off" (Helen Cunningham)

"Well you do it for yourself, I don't like sitting in the house because I'm not used to it. Working gives you a goal, otherwise I'd sit around all day and get fat, and all night too." (Lisa Jackson)

"There's loads of benefits. It builds up your confidence, you just get up feeling great. When I go out now I'm not just the bedraggled mother who took her kids to school and came back to do the housework and that was it till it was time to pick them up again...I don't know, it just felt good" (Rachel Stevenson) and

"I feel better in myself, much happier...I feel it's given me some sort of structure to my life" (Christine Clark).

Another personal benefit which some of the respondents mentioned was what they referred to as the peace of mind they now felt from being in work and claiming Family Credit rather than Income Support. Gail Pollock said, for example,

"Peace of mind is the main thing, with Family Credit you don't get folk at your door accusing you of working on the side. It's much better for your mental health".

Gemma Lawrence said similarly,

"...and I can have my boyfriend to stay without worrying that someone's out there watching me and going to report me to the DSS. I know it

sounds trivial but I really used to hate all that before, you get much more peace of mind on Family Credit".

2) Social benefits

The social benefits of working included meeting people or simply being able to get out of the house for a few hours. For example:

"Getting away from your bairn and having a couple of hours to yourself and getting to meet people" (Angela McBride)

"Meeting people outwith these four walls, I feel like my life stopped and is now starting again. I didn't realise how isolated my life had become on Income Support" (Gemma Lawrence)

"...I also socialise more now I'm working, I've met more people which is another positive aspect of working" (Fiona O'Connor) and

"When you're working you're meeting people and getting out. On Income Support you're stuck in the house, you don't have a social life, now I have nights out with the girls, so yes that's definitely a benefit" (Anne Reid).

Many of the respondents had said that one of the reasons they wanted to return to work was so that they could get out of the house and meet people and it seems that employment had provided many of them with these kinds of benefits.

3) Independence

Similarly some people had said they wanted to return to employment in order that they could be independent. These people now felt they had achieved the independence which they had hoped employment would give them. Others who had not said they wanted to return to gain independence also said that independence was now a benefit of working.

In some ways independence might be connected with what have been termed the personal benefits of working. People said they felt good about

the fact that they were able to support themselves and their children through their own efforts. For example:

"It means I can keep my independence, I feel I'm making something on my own rather than having to rely on the government" (Sandra Hill) and

"It gives you independence knowing that you're going out to work and that you've got money coming in, money that you've earned yourself" (Paula Lawson).

It is treated as a separate benefit here, however, because many of the respondents felt that independence meant even more than this. A few people felt that now they were working society would give them more respect. This kind of feeling was expressed by some of those who had previously claimed Income Support who clearly felt they had not commanded respect when they had received this benefit. Caroline Adams said, for example:

"Independence or at least a feeling of independence, I don't know whether you really are. But getting back into the working environment you feel you are contributing something to society, you start to feel you fit in again. On Income Support I felt sort of excluded from the rest of society somehow. It's difficult to explain but I suppose it's that if you're claiming benefits you're not considered equal to everyone else"

Other ex-Income Support recipients talked about independence in terms of no longer having to feel guilty about how they spent their money. On Income Support they said that because their income came from the state, it felt as though it was somehow not entirely their own to dispose of as they pleased. Ruth Mackenzie said, for example,

"It makes you feel better because you're earning. When I was on Income Support I was frightened to spend anything because you aren't supposed to be able to afford to buy anything. When you're working it's your own money to spend how you want"

4) Financial benefits

Only a quarter of the sample said they derived financial benefits from working. This is far less than the amount of people who said that one of the reasons they wanted to work in the first place was for financial reasons.

Although it was seen in Chapter 8 that most people believed they were better off working and receiving Family Credit than they would have been on Income Support, and most felt they were at least reasonably financially secure, the fact that so few of them mentioned the financial benefits of working must mean they are either not large enough to be worthy of mention, or that they are not as important as some of the other benefits. The following are quotes from some of those who did stress the financial benefits to be gained through employment:

"The extra cash so that you can buy more. You can sometimes get things for the kids. You can buy more, even more food, plus you can afford extras" (Carol Baxter)

"...It's also better for your children, it means they can get things they want sometimes. Not that they're spoilt or anything but they don't have to wait so long to get things they want...for example we can go to the pictures occasionally whereas before it was a Christmas treat and they can ask for money for swimming and things which they couldn't before" (Louise Buckley) and

"You get more money for bits and bobs. I couldn't afford to buy clothes on Income Support, it's difficult but you get a wee bit extra. Eventually we should be able to afford to go on holiday" (Tania Patton).

There was some difference in the benefits identified by the lone parents according to whether or not they had claimed Income Support before. They were as likely to stress the importance of personal benefits whether or not they had claimed Income Support. Those who had claimed were, however, more likely to mention the social benefits and independence to be gained from employment, and those who had never claimed were more likely to mention the financial benefits.

It is perhaps not surprising that those who had previously been on Income Support should have been more concerned to stress the importance of independence. As the quotes above illustrated, they said it felt good to be earning their own money now they were in employment and also felt they now had more control over their finances. Those who had never claimed Income Support would have been unlikely to have expressed such feelings. It is also perhaps not surprising that ex-Income Support claimants should have been more likely to stress the social benefits to be gained through work after having sometimes experienced feelings of isolation on Income

Support. That those who had never claimed Income Support should be more likely to mention the financial benefits of employment is somewhat more difficult to explain. It is perhaps that having had no experience of Income Support, they believed that the disparity between in and out of work incomes for lone parents was likely to be quite large and, therefore, felt they were much better off than their counterparts who were not working.

The costs of working

1) Childcare worries

Just under a quarter of the sample said they thought that childcare worries were a cost associated with working. Some said the worry they experienced trying to get babysitters for their children, particularly in school holidays was the major cost. For others childcare worries occurred when children were not well. They said the main issue was the guilt they felt when they had to work and were unable to stay with their children, for example,

"The guiltiness you experience when you send you're son to school when he's not feeling well, because you just can't take the time off" (Claire Marshall)

"Illness is the main problem, if either me or my daughter are ill and I can't go to work then I have major problems. School holidays and occasional days off are also difficult to arrange. It was only when I started work that I started to really think about and worry about these kinds of things, you don't give them enough thought when you decide to get a job" (Caroline Adams) and

"..It's also difficult when the kids have all these in service days, you don't realise quite how many they get until you're working". (Helen Cunningham)

It is perhaps surprising that so few members of the sample should have identified childcare costs worries as a cost of working. Since lone parents have sole responsibility for childcare it was expected that childcare worries might have been mentioned by a far larger proportion of the sample. Because it was anticipated that childcare worries might be

important the respondents were asked many questions about childcare during the interviews. While less than a quarter of the sample specifically stated that childcare worries were a cost of working it emerged that many of the lone parents had experienced difficulties with childcare, and for many childcare had at times caused worry and stress. This issue is, therefore, discussed in more detail at the end of this section.

2) Stress/tiredness

Stress or tiredness was also identified by just under a quarter of the sample as being a cost associated with working. Those who worked full-time were particularly likely to say that they sometimes suffered stress or tiredness. Christine Clark said, for example

"You get more tired, but I like to be busy. In fact you don't always get as tired as when you're doing nothing. I used to get really lethargic sometimes when I was on Income Support. But it can be quite stressful".

Some who said that stress or tiredness was a cost associated with work mentioned that this had an effect on their children. For example:

"Some nights you get in from work and you're just exhausted which is a shame for the kids when you haven't seen them all day" (Louise Buckley) and

"... when I come in at night I'm often pretty tired. Especially when you've been working with children all day you can get a bit impatient with your own" (Mary Watson).

3) Lack of time

The eight people who said that lack of time was a cost of working normally said they had insufficient time to spend with their children. Again those working the longest hours were the most likely to complain of lack of time. Zoe Smith said for example

"... not being there for the kids. I know mine are older now but on a late shift I'm not in until just after 10, and on an early I'm out of the house by 6.30 so sometimes I don't see my son for 20 hours."

Some mentioned that they were unable to play an active role in their children's school life. Caroline Adams said, for example

"...It also cuts into the amount of freedom you've got to help out with things at nursery or at school. Like outings and concerts. It's difficult to do these sorts of things when you're working."

While most people regretted the hours they spent working because it meant they were unable to devote as much time to their children as they might have liked, a few discussed lack of time not in terms of its effect upon children but in terms of the fact that they had insufficient time to carry out all the things which needed doing around the house. Janet Grant said, for example,

"Getting the housework done and trying to organise everything and everyone is difficult... It's also difficult to find time to do repairs and decorating and stuff. Being on your own you have to do all that because there's no one to help you".

4) Financial costs

Lastly, while ten people mentioned that they derived financial benefits from employment, eight said there were financial costs. Some mentioned that they were no better off working than they had been on Income Support. In particular they were often annoyed at having lost free school meals and other passported benefits since being on Family Credit. Some felt it was unfair that lone parents on Income Support received more help. For example:

"If you're not working I think you can get off with a lot. People are helpful over bills and things, they understand that you can't always pay. But when you're working they're not so understanding, for example, they think you can afford to pay off more of your debts when that's not always the case" (Gail Pollock)

"If you're on Income Support I think you do get more help, I know people on it who can even afford to go on holiday, I mean what's a holiday?" (Alison White) and

".. it's a pure rip off that you have to pay for everything when on social security you get it all for nothing" (Samantha Miller).

Each of the costs identified was mentioned by less than a quarter of the sample, and more than a third of the sample said they did not feel there were any costs associated with work at all. Those respondents who worked the least hours were the most likely to say there were no costs associated with employment. Indeed a couple of people said there were no costs precisely because they were only working part-time. Theresa Vance said for example

"There aren't any really. It's only four hours a day which isn't bad, it would probably be more difficult if I worked full-time".

The respondents who had claimed Income Support before were also more likely to say there were no costs associated with working.

On the whole then the respondents were far more likely to emphasise the benefits rather than the costs of working. It is perhaps not surprising, therefore, that all except four of them agreed that the benefits of working outweighed the costs. Of the remaining four, three said the benefits and costs were approximately equal. Only one felt the costs outweighed the benefits. All four had made plans to change the nature of their employment. The woman who felt the costs of working were greater than the benefits was intending to give up her job and do a course at college. The other three were looking for alternative employment.

Problems with childcare

More than a quarter of the sample did not have to arrange childcare because their children were either old enough to stay on their own while their parent was working, or else they had jobs which fitted in with school hours. Of those who did have to arrange someone to look after their children, only two used registered childminders with the rest relying on informal childcare networks of family members, friends and neighbours. None of the lone parents experienced childcare difficulties on a day to day basis because they had all found someone reliable to look after their children. School holidays were also unproblematic for most of them

because dates were known in advance and people were normally able to arrange care, usually in the form of relatives or friends. A few people did say, however, that finding childcare in school holidays was a worry.

It was seen above that some of the people who mentioned that childcare difficulties were a cost of working said that they experienced problems when their children were ill. Following further questioning on this subject it emerged that many of the lone parents had encountered problems when their children had been ill. Even many of those with older children who did not normally have to arrange childcare said they had had to take time off work when their children were unwell. Indeed only six of the respondents said they did not experience difficulties when their children were ill because they were able to rely on relatives to look after them. The main problem was that unlike school holidays, illness could not be predicted and it was often not possible for people to organise childcare at such short notice. Apart from the six who were able to get relatives to look after their children, the rest said they would have to take time off work if their children were not well. Indeed many of them had taken time off when their children had been ill in the past.

The lone parents were asked whether there was any provision for them to take time off if their children were ill. Thirty three of the lone parents said their employers were quite understanding and that they were or would be able to take time off if their children were not well. Seven said, however, that their employers were not understanding and that it was difficult for them to take time off. For example:

"No but if necessary I would take the time off anyway and wouldn't get paid for it but they wouldn't be pleased about it. They're not very understanding at all, if it was something really serious like if your kid was in hospital or something they might be alright but not for everyday types of illness" (Carol Baxter)

"I wouldn't say they were understanding at all, you're not supposed to take time off if the kids aren't well, I usually have to say I'm not well myself" (Joanna Russell)

"No I don't think I'd be able to take time off, they're not very understanding at all" (David Wright) and

"No not really you have to cheat and say you're ill yourself because otherwise you get your wages docked. It makes me look as though I'm a

really sickly person but I can't afford even to lose one days pay. My employers aren't understanding at all, there's no provision for single parents whatsoever." (Zoe Smith)

Although the majority of the respondents said their employers were fairly understanding and that they would be able to take time off if their children were ill, the problem was whether they could actually afford to take time off. Only a quarter of the respondents said they would get paid if they took time off for their children and any provision that existed was normally limited to a few days. Mary Watson was one person who said she would get paid if she took time off when her children were unwell,

"Yes you can get five days a year paid. My employer is Lothian Region and they've got a policy. If you've used up the five days you can take part of your holidays and you're also entitled to take two weeks unpaid leave."

Three quarters of the sample, however, did not get paid if they took time off because their children were ill and only a couple of these said they were able to make the time up. Several people said they had been able to take part of their annual holiday when they had had to take time off because their children had been ill. Others said, as did Zoe Smith who was quoted above, that they had had to pretend they were ill themselves in order that they would get paid. As Zoe went on to say, however, this would be quite detrimental if she applied for another job because her bad attendance record would be likely to go against her.

Some of the lone parents had had to forgo several days pay when they had taken time off because their children had been ill. They had been unable to take time out of their annual leave or pretend they were ill themselves because they were not entitled to sick pay or holiday pay. A quarter of the sample, most of whom were employed on temporary contracts were in this position. Several said they could normally manage to lose a couple of days wages but they did not know how they would be able to manage if they were forced to take any more time off than this. A few people said they found it very difficult even to lose a days wages.

Children being ill is, therefore, a situation which can cause quite a lot of worry for lone parents since it normally means their having to take time off work for which they are not normally paid. Only nine of the

respondents worked for employers who had any provision for dependency leave. Since a large number of the sample acknowledged that they had experienced childcare difficulties at times, it is surprising that less than a quarter of them should have directly identified childcare difficulties as being a cost of employment.

The lone parents' commitment to employment

Considering the great majority of the respondents felt the benefits of work clearly outweighed the costs, most of them must have, therefore, derived significant benefits from employment. Even the four who felt the benefits of work did not outweigh the costs still maintained a general commitment to work itself and their future plans were centred around employment. At the time they were interviewed, however, they felt the benefits they derived from their current employment were insufficient for them to keep these jobs. They had, therefore, decided to make changes to their employment which they hoped would increase the benefits, or rather alleviate what they felt were the costs associated with their current employment.

The fact that there was a high level of job satisfaction amongst the sample is one indication of their strong commitment to work. 36 of the lone parents said they enjoyed their job and derived great satisfaction from employment. They said they liked their jobs for a variety of reasons - they liked being able to meet people, the work they were doing was interesting, they enjoyed being part of the working environment again, and so on. The following quotes are examples of what some of them said:

"It's brilliant, everything about it is rewarding, it makes you think when people are worse off than yourself" (Tania Patton)

"... it's interesting and not repetitive because it's actually in the classroom. I also like the people I work with and the holidays are good too." (Mary Watson)

"99% of the time I enjoy it. I've got quite a lot of freedom. I'm working on my own and I get to meet quite a lot of people" (Yvonne Field) and

"... most of the time it's great. The girls in the department are great. There's a few of my friends work there and it's normally a very rewarding job. I have to answer the telephones to all the angry customers which can be fun." (Gemma Lawrence).

The four people who said they did not enjoy their job were all hoping to make changes to their employment. Two were among the four respondents who felt the benefits of work did not outweigh the costs. One of these was Frances Hall who was the woman mentioned above who was expecting to give up her job so she could do a course at college. At the time of the main interviews she worked as a domestic and said the job made her feel worthless because she was treated like a servant. Her decision to give up work was about more than dislike of her job, however. She also disliked being on Family Credit and felt she was worse off working than she had been on Income Support. Dislike of her job was only one factor which had led to her decision to give up work.

The other woman who said she was unhappy with her job and also felt the benefits of working did not outweigh the costs was Heather Lambert who worked as a home help. She said her job was okay at times but it was an isolated job and some of her customers were difficult. She said she wanted to change her job and had some plans to do so but she was not actively looking for alternative employment at the time she was interviewed. For her, the benefits of working did not outweigh the costs only because she was unhappy with her job.

The other two respondents who did not enjoy their jobs felt that the benefits of work did outweigh the costs. David Wright said, for example, that he was happy working and claiming Family Credit but wished to change his job because he disliked it. At the time he was interviewed he was actively looking for alternative employment and intended to get another job where he could continue claiming Family Credit. The other was Sandra Hill who was expecting a baby at the time of her first interview and was shortly expecting to give up her job. She was doing barwork which she said she did not enjoy mostly because it was so different from the jobs she had had in the past. She had no real plans about what she would do regarding employment after her baby was born but said she would certainly never consider doing barwork again.

These four excluded, the rest of the respondents were happy with the jobs they had at the time of the first interviews and said they experienced job satisfaction. Although many of the respondents who said they derived satisfaction from their current employment had plans to change their jobs at least in the future, dissatisfaction with their job was not their motive for desiring change. As was seen in Chapter 6 most of those who were planning to make changes to their employment wished to do so to improve their financial situation, so they could move off Family Credit or because they felt they were worthy of getting what they considered to be a 'better' job. While most people were content with their jobs, many wished to make changes to their employment because they were less contented with their level of income or with being in receipt of Family Credit.

As well as being satisfied with their current employment, most of the respondents were also strongly committed to work in itself. The fact that only seven of them had ever considered giving up work is evidence of this. The reasons these seven people gave for having considered giving up work were normally financial. They had considered giving up work because they did not feel it was financially worthwhile working. Three people said, however, that they had considered giving up work because of the pressures of their job. In two of these cases this was because they were unhappy with new employers who had recently replaced old ones.

All seven said they had seriously contemplated giving up work but had not yet done so because they could not decide what they should do instead. A couple of them commented that once you are in work it is very difficult to make the decision to give a job up, not least because they said they felt they would be bored if they were no longer working. Only one of the seven had decided that she definitely wished to stay in employment. She had only considered giving up work shortly after returning to the labour market and felt that the pressures of work had alleviated somewhat since she had become used to working again. At least this was what she said when she was first interviewed. By the time she was reinterviewed, however, she felt she no longer derived any benefits from working and had made plans to give up her job and go to college. While she felt it was no longer beneficial for her to be in employment she planned to get a degree and then reenter the labour market by obtaining a better job. She still held, therefore, a strong

commitment to employment but felt that her current employment and benefit status was not delivering the rewards she had hoped for.

The other six were still considering giving up work at the time of the first interviews. Unfortunately four of them were not reinterviewed so it is impossible to say whether they did in fact give up work. The reason they could not be reinterviewed was because they had moved away which is possibly indicative of their having undergone employment change. One woman who had moved had almost certainly given up her job because her accomodation had gone with her job. Two of the six were reinterviewed and both were still in employment. It is interesting that almost half of those who had never claimed Income Support said that they had considered giving up work before and were still considering this possibility while only a very small minority of those who had been on Income Support had done so. It is difficult to suggest why this should be so. It is possible that having experienced Income Support, those who had claimed it before would not wish to consider giving up work knowing that this would necessitate a return to Income Support.

Asked if they might consider giving up work if Income Support was increased, most of the sample said they would still prefer to work. Only five people said they would consider this and significantly they tended to be those respondents who were most likely to say they had decided to work in the first place mainly for financial reasons. If Income Support was increased, the financial benefits they derived from work would, therefore, be reduced meaning it would no longer be necessary for them to work.

Almost all the lone parents in the sample felt the employment decisions they had made had been the right ones. Hence they said if they were to find themselves in a similar position to that which they had been in before, then they would make the same decisions they had made previously, i.e to go back to work, increase the hours they worked, claim Family Credit etc. Four people felt they had not made the right choices regarding employment, however. They said they would definitely make different decisions if the same situation was ever to arise again. All four had previously claimed Income Support. Two said they had made a mistake in not finding out enough about Family Credit before they claimed it. They

had both actively planned to obtain employment of sixteen hours or more and to claim Family Credit, but with hindsight they now said had they known what they now know about Family Credit they would never have set out to claim it in the first place. Wendy Roberts said, for example

"... I think I went into it a bit blind. They don't give you enough information. I wish now that I'd tried to find out more about Family Credit. But if I had, if I'd found out for example that after getting a wage increase that I would be expected to pay all my rent or that I wouldn't be able to get any help with the poll tax then I wouldn't have done it".

The other two said they would not make the same decisions they had made before because of the experiences they had since had with childcare. Both had returned to work when their children were very young and had had to pay for childcare. One had children who were now a lot older and said she now wished she had not worked until they were older because of the stress that childcare problems had caused her. She said the stress had become so bad that at one point she had actually given up work and claimed Income Support for six months because her health had been affected. The other woman still had a young child and her concern was more that the childcare costs she had to pay meant that she was worse off than she had been on Income Support. Now that she was in work she said she would never return to Income Support but

"...had I known at the time I don't think I'd have done it, because it does tire me out and when I stop and think that I'm worse off I do think I was mad really". (Donna Kelly)

Although these four women felt they had not necessarily made the right choices regarding employment at the time, three of them had no plans to change their employment status at the time they were first interviewed. Whilst looking at their employment decisions retrospectively they felt they might not have been the right ones to make at the time, all three now said they derived significant benefits from employment and none said they would ever consider giving up work now.

Whether they had plans regarding possible employment change or not, all of the lone parents when asked what they expected to be doing in the next few years, said they expected to be engaged in paid employment of some sort. The high degree of commitment to employment which existed amongst the sample at the first interviews was also apparent throughout the follow

up interviews. Even those who were no longer in employment when they were reinterviewed were endeavouring to return to employment immediately or as soon as was feasible. Similarly those respondents who had decided to give up their jobs to pursue courses at college were doing so in order to improve their employability so that they might be able to secure better jobs. They were not giving up their jobs because they no longer held a commitment towards employment. Indeed none of those who had returned to Income Support or who were expecting to return to Income Support had chosen to give up their job because they no longer wanted to work. On the contrary all the lone parents who were interviewed saw work as being an important part of their lives and were very committed in their intentions to remain part of the workforce.

Conclusion

Perhaps the most important finding to mention when answering the question 'What do lone parents perceive to be the main costs and benefits of working?', is that the majority of lone parents in this study derived considerable benefits from employment and normally felt that these benefits far outweighed any costs of working.

In general the sample felt that the benefits to be derived from working were considerable and were about more than just financial benefits. The most widely cited benefits were personal and social benefits, such as improved self esteem and self confidence and having a role outside of the home and being able to meet people. The independence which was gained from employment was also felt to be important and many of the respondents said they liked being able to support their families through their own efforts and felt that they were given more respect by society because they were working. These were the same sorts of benefits which the respondents in Frey's study of lone parents identified in Australia (Frey, 1986).

Those respondents who had claimed Income Support before were particularly likely to stress the social benefits and independence to be derived from working. Those who had not claimed Income Support were more likely than those who had to say that they derived financial benefits from employment.

The sample were far more keen to emphasise the benefits of working than they were the costs. Indeed more than a third of the sample felt there were no costs associated with working at all. Costs which were mentioned, were childcare difficulties, stress and tiredness, lack of time and financial costs, but none of these were mentioned by even a quarter of the sample. This finding appears to differ from that found by Frey whose respondents felt that the costs of working were high even though they generally agreed that the benefits of working outweighed the costs (Frey, 1986).

Those respondents who worked the longest hours were more likely to feel there were costs associated with working. Stress or tiredness and having less time to spend with children, or to do what needed doing at home were costs most likely to be mentioned by those working the longest hours. Conversely, those who said there were no costs associated with working were most often those respondents who were working the shortest hours. Those respondents who had never claimed Income Support were also more likely to say that there were no costs involved with working.

Less than a quarter of the sample stated that childcare difficulties were a cost of working which was perhaps quite surprising. On further questioning, however, it emerged that while childcare did not normally create difficulties on a day to day basis because people were able to rely on family or friends for childcare or else fitted their employment around school hours, there were often problems when children were ill and sometimes in school holidays. Indeed, less than a fifth of the sample said they did not experience problems when their children were ill. Most people said they were forced to take time off work when their children were ill and although the large majority said their employers were understanding about this, only a quarter of the sample actually got paid if they took time off. These were normally people who worked for large employers like health authorities or local councils who permitted staff to take a certain

amount of time off for dependency leave. Some people who were not paid said they were able to take part of their holidays and some told employers they were ill themselves so they would not lose wages. A quarter of the sample, however, were unable to do either of these things because they were not entitled to holiday pay or sick pay and for them children being ill could be a major problem.

There was a high level of commitment to work amongst the sample. Only four people felt that the costs of work were greater than the benefits and all of these were seeking alternative employment at the time of the first interviews. They still wished to continue working but felt that the particular job they had at that time was not right for them. The fact that only a small proportion of the sample said they had ever considered giving up work is also evidence of the high commitment to work. The seven who had considered doing so said this was either due to stress at work or because they felt it was not financially worth their while to work. Although six of these people said they were still thinking about giving up work at the time of the first interviews, they all said they were reluctant to have to go onto Income Support not least because of the boredom they felt they would experience by doing so. This shows that once someone is in employment it is difficult for them to make the decision to return to a position of non employment. By the time of the follow up interviews several of the respondents were actually on Income Support, but none were back on it through choice. All the sample said they expected to be in employment in one form or another in the next few years and even those who planned to give up their jobs at some point only saw this as a temporary measure before returning to the labour market.

The fact that the interviewees were so keen to highlight the benefits of work and that many were at a loss to recognise any costs associated with working is perhaps quite surprising. It might have been expected that such lone parents who were for the most part working in low paid, low status jobs, would have been more likely than they actually were, to have wished to highlight the costs of working. It is possible that this small sample contained individuals who were on the whole more positive about the benefits of employment than lone parent Family Credit recipients generally. It is also possible that the respondents may have to some extent

wished to exaggerate the benefits of employment and, therefore, present a more optimistic picture than actually existed. There seems to be, however, no evidence to suggest that this was the case since in other parts of the interview, the lone parents did not appear to be overly optimistic. For example, they were if anything pessimistic regarding their chances of becoming independent of means tested benefits. It is more likely, that the benefits of employment were so important to them that any costs were negligible in comparison.

Chapter 10 Lone parents, employment and Family Credit: the respondents' opinions

Chapter's 5 to 9 were designed to answer specific research questions which were outlined in Chapter 3. This chapter does not seek to provide answers to any specific research questions but offers further information upon the questions already discussed by presenting an analysis of the respondents' opinions of employment and Family Credit as it affects lone parents. As well as being asked to provide their own accounts about why they wanted to work, and to talk about the obstacles and incentives to employment for them, the respondents were also encouraged to think in a broader context and to give their opinions about lone parents and work and to discuss what they considered to be the barriers and incentives to employment for lone parents generally. Although policy remains neutral in that lone parents are not required to register for work as a condition of receiving benefit, the policy changes of recent years, which were outlined in Chapter 2, sought to provide lone parents with a more realistic choice about whether or not to work. The respondents were, therefore, asked to give their opinions regarding these policy changes.

They were asked whether they felt lone parents were encouraged to work and the first section of this chapter discusses the potential barriers to work which they felt lone parents faced. Despite the fact that they were keen to discuss such potential barriers, it emerged that a high proportion of the respondents felt Family Credit was a considerable incentive to work for lone parents. The second part of the chapter, therefore, considers the respondents' opinions of Family Credit as an incentive to work. It also discusses their opinions of changes to Family Credit, the reduction in hours, the maintenance disregard and the new Childcare Allowance. Lastly it considers whether the respondents felt that lone parents ought to work and discusses any advice they would give to a lone parent who wished to seek employment.

Barriers to work

The respondents were encouraged to discuss the factors which they thought made it difficult for lone parents to work and the reasons why they thought so many lone parents were dependent on Income Support. From their accounts it was possible to identify four main factors which they felt acted as barriers to work for lone parents. These were:

- 1) Childcare difficulties
- 2) Individual attitudes/behaviour
- 3) Lack of financial incentives
- 4) The difficulties of finding a job

These four factors will be considered in turn.

1) Childcare difficulties

Almost all the sample conceded that childcare difficulties could be a barrier to work for lone parents. Since it was anticipated that childcare difficulties would be seen as a potential obstacle to work, the respondents were asked in some detail about their opinions regarding the state of childcare. More than three quarters of them felt that childcare provision was inadequate and/or that there was a lack of affordable childcare available. The most widely held opinion was that provision for school age children was inadequate whereas provision for pre-school children was available, but not affordable:

"... there's no afterschool club at my sons school. There's one at the Southside community centre but the hours aren't very good and you'd still have to get someone to take them there. For younger children there's plenty of childminders but unless you've got a husband who's earning as well they're simply not affordable" (Christine Clark) and

"There's loads of childminders but it's not worthwhile looking for a childminder, it would take up nearly all your wages. And for older kids there's nothing, there's no holiday care at all" (Sarah Taylor).

Many referred to their own childcare situation when discussing childcare. It has already been seen in an earlier chapter that nineteen of the respondents relied on family members or friends to provide childcare. Several of these said they would not have been able to go to work had it not been for the assistance of family or friends. Louise Buckley said, for example

"I'm lucky because I've got my family. If it wasn't for them I wouldn't be able to work, particularly in the school holidays because I couldn't afford to pay for childcare with four children".

It was also seen that fourteen of the respondents did not have to arrange childcare while they were at work, either because their children were old enough to remain on their own or because the individual concerned had taken a job which fitted in with school hours. Some who said their children were old enough to stay on their own said they had delayed returning to the labour market because they had not had anyone to look after their children and would have been unable to afford childcare. Similarly those who worked school hours normally said they had specifically chosen their jobs so they would not need childcare. For example:

"I looked for jobs that fitted in with school hours" (Rachel Stevenson)

The personal arrangements of the respondents illustrate how lone parents' employment choices are often restricted by childcare availability. Even some of those who relied upon family members to look after their children said they had been restricted in terms of the hours they could work because the person who provided childcare (most often a grandmother), often worked part-time herself and so hours had to be fitted around this. For example,

"My Mum lives here, so she looks after him, but she's also got a part-time job, so I had to get something to fit in with her hours" (Deborah Morris).

A number of people felt that childcare difficulties were more of a barrier to work for lone parents than for women with partners because other women

were able to rely on their partners to provide childcare, or because women with partners could afford to pay for childcare:

"It's okay if you're part of a couple because you've already got childcare, you can work when your husband's home and he works while you're at home" (Deborah Morris) and

"... other women with partners would find it easier to work because they can afford minders, there are two wages coming in instead of one" (Tania Patton).

A small minority felt, however, that it was just as easy or just as difficult for a parent with a partner to work as it was for a lone parent. Donna Kelly who was one of only two people in the sample who paid a registered childminder said, for example,

"I've not found it any harder since I've been on my own. When you're married you still have to find someone to look after your kids and you still have to pay for it. Okay there's more money coming in but then there's another mouth to feed. I manage to pay for a childminder now, it's not easy but I don't think it would have been any easier when I was married".

b) Individual attitudes/behaviour

After childcare difficulties, the second most widely cited barrier to work for lone parents was individual attitudes and behaviour which was mentioned by almost half the sample. There was, however, variation in the way people expressed their opinions about this issue. Some, most often those who had never claimed Income Support, argued that many lone parents were lazy or simply unwilling to work. Others, normally ex Income Support recipients themselves, believed that negative attitudes and behaviour on the part of lone parents, were actually caused by Income Support itself.

More than a quarter of the sample believed that lone parents were encouraged to work, particularly due to the existence of Family Credit, but that they were unwilling to take up the incentives which were available because they were 'lazy' or simply did not want to work. For example:

"With Family Credit I think they expect you to work, but there are plenty of people who just don't want to work" (Rebecca Quinn) and

"... it depends if you're willing to work or not. You'll only be encouraged if you want to work in the first place but there are loads of people who just can't be bothered" (David Wright).

Those respondents who had never claimed Income Support before were far more likely to accuse lone parents of being lazy or of simply not wanting to work, although a few people who had claimed Income Support themselves also expressed this opinion. Sandra Hill said, for example,

"A lot don't want to work, they get lazy, they fall into it. They'd rather accept Income Support and do nothing. Work's too much trouble".

Some of the people who expressed such opinions did add, however, that lack of childcare might also be a barrier to work for lone parents and that not all lone parents in receipt of Income Support were either lazy or unwilling to work. Natalie Mason, who was particularly vocal in denouncing the attitudes of lone parents on Income Support, went on to say, for example,

"...but I suppose there are a lot who don't have anyone to look after their child. There should be more creches and nurseries".

Other people who acknowledged that personal attitudes or behaviour were a barrier to work, offered more of an insight into the way Income Support was itself responsible for forming such attitudes rather than attributing blame to individuals. Some of their comments were very interesting, for example:

"...they get into the habit of being on benefits...it's ideal for them to sign on, they get a book and the money's guaranteed every week, there's no hassle" (John Finlay) and

"Income Support is a safety net. You know your rent's going to be paid and you can pay your bills out of the money. It's security and maybe in comparison working isn't very secure anymore. It may not be a lot of money but they can manage on Income Support...Also you're lacking in confidence when you've been on benefit. You feel you're undervalued, you get knocked down all the time and you just couldn't cope with any more knocks so you carry on as you are" (Helen Cunningham).

c) Lack of financial incentives

Just under half the sample believed that lack of financial incentives were a barrier to work for lone parents. Most of those who expressed such an opinion had previously claimed Income Support, but their opinions regarding the issue of financial incentives to work were articulated in different ways. Some felt that lone parents were not encouraged to work because there was no financial incentive to do so and that they were better off on Income Support. When asked why she felt so many lone parents did not work, Sarah Taylor replied,

"Because they would be worse off, you are worse off. You get more help when you're not working, you get your rent paid, you don't have to pay council tax or school dinners"

Donna Kelly replied similarly,

"Because you're financially better off on Income Support. I was better off on Income Support and I knew I'd be worse off working but I still wanted to do it".

While such respondents felt that other benefit recipients might also be discouraged from working due to lack of financial incentives, they felt that this was particularly acute for lone parents because of the wide range of benefits they were entitled to while on Income Support. Only a small minority of respondents felt, however, that there was no financial incentive to work at all for lone parents and this opinion was limited to those who felt that they were themselves worse off by working. Most felt instead that there was some financial incentive, but because lone parents were not a great deal better off working, that some were not encouraged to work because the financial gain was not large enough. Implicit in some people's comments was a suggestion that because the financial gain was not large, some lone parents were not prepared to work. Again the respondents who expressed such opinions were emphasising that individual attitudes played a part, that some people were prepared to work for very little financial gain while others were not. For example,

"...if the only work you can get is so low paid that you can only earn a bit more than you would get on benefit some people won't do it" (Mary Watson) and

"...a half well paid job is hard to find. Once you take into account losing rent rebates, council tax rebates and so on, I suppose some people feel that a lot of jobs are probably not worth getting up in the morning for" (Claire Marshall).

Lastly a few people mentioned that many lone parents were not encouraged to work because they mistakenly assumed that there was no financial incentive to do so. Such respondents believed that there were clear financial incentives to work but that many lone parents failed to recognise this, sometimes due to a lack of knowledge about in work benefits. Claire Marshall, for example, went on to say that she felt lone parents were not really encouraged to work because

"...even though Family Credit is advertised they don't say how much you could get, I think they should give you some idea how much you could get".

John Finlay also felt that many lone parents failed to recognise that there were financial incentives to work, but his argument was somewhat different. He said

"A lot don't know what the benefits can be, they're poorly informed. I know they write and tell you about things like Family Credit but people aren't interested in letters if there's no money in it, they don't even bother to read them they just put them straight in the bucket. So a lot of people end up not working through ignorance".

d) The difficulties of finding a job

The difficulties of finding a job was the final barrier to work identified and was mentioned by a quarter of the sample. Again there was some variation in what the respondents meant when they talked about the difficulties of finding a job. A couple mentioned that high unemployment made it difficult for anyone to find employment including lone parents, particularly if they lacked skills and experience or had been out of the labour market for some time. Others stated that the problem was finding a job with suitable hours. These people felt that the difficulty of finding a job was not necessarily confined to lone parents.

Six of those who mentioned the difficulties of getting a job felt, however, that the problem was confined to lone parents. They saw the problem as being one of discrimination on the part of employers. They stated that many employers were unwilling to employ lone parents because they expected them to take too much time off work. For example,

"...a lot of single parents do want to work and they should have as much right to do so as everyone else but this just doesn't happen. If employers know that you're a single parent they think that you're going to take time off and if they've got to choose between a single parent and a single woman or even a married one then they're not going to choose the single parent. You only stand an equal chance if you don't tell them in the first place"(Rachel Stevenson)

"A lot of employers don't like single parents. When you go for an interview you're always asked about what you'd do if your children weren't well and I think it's got worse now with all the stuff on TV [the media campaign against lone parents] they're hardly going to get the impression that you'd be a reliable employee" (Alison White).

Is Family Credit an incentive to work?

Asked whether they felt that lone parents were encouraged to work at all, a very high number, almost three quarters of the sample said they did not feel they were:

"... you're driven off it not encouraged, I wasn't helped at all" (Lousie Buckley) and

"... there's not enough incentive, you've got to be forceful if it's what you want to do, if you want to get a decent job" (Helen Cunningham)

These quotes are typical of the feelings of many of the respondents who felt that there had been very little incentive to come off Income Support and that very little help had been available to enable them to do so.

The remaining quarter, however, felt that lone parents were encouraged to work due to the existence of Family Credit. Rebecca Quinn, for example, said

"With Family Credit there I think they do expect you to work, there is encouragement there".

Gemma Lawrence said similarly

"... the fact that Family Credit is there is an encouragement, there's help there for you".

It has been stated, however, that some of the respondents felt that the financial incentive within Family Credit was not large enough and therefore did not encourage lone parents to work. Indeed in Chapter 5 which looked at the respondents own reasons for working it was seen that only 11 of them had been encouraged to work due to the existence of Family Credit. Many of them, however, had begun to claim Family Credit before the 1992 changes and it is possible that more of them would have been encouraged to work as a result of Family Credit had the changes been in operation earlier.

Despite the fact that the majority of respondents felt that lone parents were not encouraged to work, when asked directly whether they thought that Family Credit encouraged lone parents to work, 24 of them said they thought it did. The following quotes are what some of them said:

"It definitely encourages single parents to work. I think it's great, the best thing ever invented" (Paula Lawson)

"Yes definitely. If it wasn't for Family Credit you would have to find a job above what you were capable of doing to get the wages to raise a family, you'd have no chance" (Janet Grant)

"Yes I think it's a great idea to get lone parents back to work, to give them independence" (Gemma Lawrence) and

"It encouraged me, and I would think it encourages many others. It's great, the best thing they ever did was put down the hours, it's good for single parents and married couples, it's the boost society needs" (Tania Patton).

The above quotes show that many of the respondents were keen to praise the way in which Family Credit encouraged lone parents to work. Five of those who felt it was an encouragement were, however, far less enthusiastic. They believed that Family Credit did encourage lone parents to work but that this was false encouragement because people were led to believe it was a lot better than it really was. For example:

"On the face of it people are encouraged because they make it sound really good and you're led to believe you'll be much better off, but not many people realise that you lose other benefits and that you're actually worse off" (Frances Hall) and

"With the figures they quote then yes they are encouraged, they think they're going to be better off. But they have to look into it because really it's garbage because they give it you in one hand and then take it back off you in the other and you're not gaining anything. But the money they say you're going to get, yes, I think that encourages single parents" (Yvonne Field).

This kind of opinion was normally expressed by those respondents who felt that they themselves would be just as well off financially if they were not working.

A sizeable proportion of the sample believed that Family Credit did not encourage lone parents to work, or that it encouraged only some to work. There were a variety of reasons why they felt this to be so, most of which were discussed when looking at barriers to work, - the fact that there was a lack of knowledge about Family Credit, that it did not provide a large enough financial incentive, and the fact that many lone parents would not work whatever encouragement was offered them.

Some of the respondents suggested ways in which Family Credit might encourage more lone parents to work:

"... not a lot know the ins and outs of Family Credit, it should be advertised more. I know it is advertised but they don't tell you enough, like a lot of people think that if you're on Family Credit you have to pay full rent. They should make it clear that that's not true. It would definitely be worth their while because once you're on it you don't look back, it's getting people on it in the first place" (Rachel Stevenson)

"I think more would be encouraged to work if they knew more about it because they don't really tell you enough. The adverts say things like 'you could be able to claim Family Credit if you earn £140 a week'. That's

no good, most single parents couldn't earn anywhere near that so they think it doesn't apply to them. The main thing is people want to find out what they could get" (Karen Young) and

"I don't think many are encouraged by Family Credit. I wasn't, I had to come off Income Support. If they made the money a bit more then more would work, because at the moment it's a set rate, you can't increase what you get once you're on it" (Deborah Morris).

They felt that if Family Credit was increased or was advertised in a more appropriate way, then more lone parents would be encouraged to work. Advertising obviously has different effects on different people, however, because it has already been said that some people felt that adverts for Family Credit were already encouraging lone parents to work because they were presenting them with an exaggerated picture of the benefits which could be had from doing so. From what the respondents said about advertising, however, perhaps the main conclusion to be drawn is that Family Credit advertisements ought to provide lone parents with as much information as possible in order that they are able to make an informed choice about whether or not to work.

The hours reduction

On the whole the respondents believed that reducing the hours someone had to work in order to be eligible for Family Credit was a positive step in encouraging more lone parents to work. They felt that it was particularly useful for lone parents who had young children or who were only able to work school or nursery hours:

"... its helpful for some people, like some people are only able to work nursery hours" (Samantha Millar) and

"... it encourages more people to work, it was 24 hours before and that was unlikely for many people with small children" (Claire Marshall).

Several people commented that they had personally found it difficult to get a job for 24 hours a week. Some said they had had to take two jobs to make their hours up to 24 and had been able to give up their second job as a result of the change in qualifying hours. Even though these people had

first claimed Family Credit before April 1992, the amendments had, therefore been beneficial to them. Joanna Russell started to claim Family Credit after April 1992 and said that the reduction in hours had enabled her to keep the part time job she already had when she became a lone parent. She said that if the qualifying hours had remained at 24, then she would have had to claim Income Support and given up her job because it would not have been worthwhile continuing to work.

A small minority of the respondents were less certain that the reduction in hours was beneficial. Some felt the hours should have been reduced to 15 since they said that most part-time jobs available were for 15 hours. It was interesting that the four people who mentioned this were all employed in shop work and it appeared that 15 hours was the norm for most part-time shop jobs. When asked what she thought about the reduction in hours, Wendy Roberts said,

"It needed to be reduced but then employers have dropped part time hours to 15. In my work there are three people on 16 hours, but the bosses have said that we shouldn't have people on 16 hours because you have to pay them holiday pay and sick pay. So when they leave they'll be replaced with people on less hours. It's the same everywhere, in Shoprite and Poundstretchers the part time jobs are all 15 hours."

A few people were unsure whether the reduction in hours was a positive step towards encouraging lone parents to work because they felt there might not be much financial incentive to working only 16 hours. Mary Watson, for example, said,

"I don't know if it would be worthwhile only working 16 hours. I wouldn't have thought you would get much because there's a lower ceiling and so it would mean a lower standard, and when you take into account that people lose free school meals and things like that I don't know if they'd be encouraged to take a job for 16 hours".

Maintenance and the CSA

While the large majority of the sample felt the reduction in qualifying hours for Family Credit from 24 to 16 was likely to encourage more lone parents to work, very few felt that the £15 maintenance disregard was

likely to have a similar effect. Very few people, including those three who were receiving maintenance at the time of the main interviews realised that there was a maintenance disregard within Family Credit, and even when informed of this most said that they would still not wish to receive maintenance. Most of the sample were adamant that they did not wish to receive maintenance from their children's fathers, but most realised that as a result of the Child Support Act, because they were receiving benefit, the CSA would attempt to pursue maintenance payments. By the time of the first interviews only a couple of the lone parents had received maintenance assessment forms from the CSA but most of those who were reinterviewed had received a form by this time. Only two had, however, actually started to receive maintenance as a result of the actions of the CSA.

None of the 37 respondents who were not receiving maintenance at the time of the main interviews said they would wish to receive maintenance even though the maintenance disregard would make them somewhat better off. There were many reasons why they did not wish to receive maintenance. These included - fear of violence, fear of ex partners being able to obtain access rights, the belief that unemployed absent parents or those with second families would not be able to afford to pay maintenance, a desire to be independent and not have to rely on ex partners, and a desire not to 'have the past dug up'. Although most of the respondents agreed in principle that fathers should support their children, they believed that there should not be an obligation on the parent with care to provide information, that fathers should only be pursued if the parent with care wanted this.

At the follow up interviews many respondents expressed concern about the actions of the CSA. Some criticised the personal nature of the maintenance assessment forms and the nature of the questions which were asked them in forms and in interviews with CSA staff. Perhaps what has most relevance in terms of the nature of this study, however, is that people were very concerned about how their Family Credit might be affected by CSA action. A concern which was expressed by quite a number of the respondents was that their benefit might be reduced if they refused to cooperate with the CSA.

Because of the threat of benefit withdrawal most of the respondents who had been contacted by the CSA said they had unwillingly provided the information that was required. One woman said she had been unable to provide information as to the whereabouts of her daughter's father and had been asked to attend an interview with the CSA. At the interview she said she had been forced to provide as much information as possible in order that paternity might be proved if contested by the absent parent. She said she had found the interview distressing but felt she had had no choice but to answer questions of a very personal nature for fear that her benefit would be reduced if she refused.

A few people had refused to cooperate with the CSA at all and were very concerned at their second interview that their Family Credit would be reduced as a result. One woman had written to the CSA and told them that she refused to cooperate with their enquiries because her ex partner had been persistently violent towards her and she wanted nothing to do with him. She was extremely worried her benefit would be cut because she was unaware that the CSA could not do this if violence was alleged. Another woman had completely ignored letters from the CSA for fear of violence from her ex husband and was similarly unaware that she had a right not to disclose information particularly as the police had been to her home on more than one occasion when her ex husband had threatened her.

Margaret Galloway had not yet been contacted by the CSA but said she would not be willing to give them any information. Like most of the other respondents, she was also concerned that non cooperation would lead to a cut in benefit. The following quote from her is typical of the opinions which were expressed by many of the respondents:

"...I feel it is wrong for any agency to interfere in people's personal lives unless they're asked to do so, because as far as I can see they are causing a lot more problems for people, making single Mum's divulge information they don't want to. And if they don't they're penalised for not doing so with less benefits given to them, which makes it more difficult to bring up your family".

Some people were concerned that they might end up worse off if they received maintenance payments. A particular concern was that Family Credit would be assessed according to the amount of maintenance received

but because it runs for six months before being reassessed, if maintenance payments stopped during a claim period then someone could be significantly worse off until benefit was reassessed. Joanna Stevenson had already had experience of this. She said that when she first claimed Family Credit she was receiving maintenance payments of £35 a week and her entitlement was based on this. Three months later, however, her ex husband lost his job and maintenance payments ceased, leaving her £35 a week worse off until her Family Credit could be reassessed. By the time of the second interview Joanna was once again receiving maintenance from her ex husband, she said

"...last time I was left high and dry, I don't know what I'd do if it happened again, and he's paying more now so I'd be left with nothing. I think I'd have to stop work".

Lastly, as was mentioned in an earlier chapter, a few respondents were concerned that if they received maintenance payments they might no longer be eligible for Family Credit. This would mean they would no longer be entitled to passported benefits like free prescriptions and dentist treatment. On the whole then the respondents did not view maintenance payments as a very secure form of income, and most said they would rather have the security of Family Credit than have part of their income made up from maintenance payments regardless of the £15 disregard.

The Childcare Allowance

The childcare allowance was not in operation at the time of the main interviews. It had, however, been announced in the budget of November 1993 that it was to be introduced and it was expected that the respondents might have received information about it by the time they were reinterviewed. Less than a quarter of the respondents who were interviewed a second time had, however, even heard of the Childcare Allowance and those who had said their knowledge of it was very limited. Most of the respondents were, therefore, unable to express an opinion of the allowance until they had been given a description of what it entailed.

Considering that the respondents were most likely to cite the lack of adequate or affordable childcare as being the main reason why lone parents were not encouraged to work, it might be expected that they would believe that the childcare allowance would go some way towards alleviating this obstacle. Some of them did indeed believe that the Childcare Allowance was a welcome policy change. For example

"... I saw it advertised on TV. It's a good idea because childminders are expensive and more people will work if they can get help with paying for them" (Theresa Vance) and

"It sounds like a good idea, it should encourage more people to go to work" (Deborah Morris).

A couple of people felt that it might benefit them personally. When reinterviewed, Sandra Hill had had another baby and was claiming Income Support but wanted to go back to Family Credit. She said it was good to know she might be able to obtain some help towards childcare costs. Similarly Rebecca Quinn said she was considering sending her daughter to an after school club which would cost £17 a week. She felt she might be able to receive extra Family Credit to help pay for this. She would not, however, have been able to benefit from the childcare allowance because she was already receiving the maximum rate of Family Credit.

The respondent's criticisms of the Childcare Allowance mainly centred around the fact that it would not cover the full costs of childcare:

"I suppose it's a start but it won't be enough to pay for a pre school child in full time childcare" (Claire Marshall) and

"It's not really enough especially if you've got two kids to pay for" (Gail Pollock).

Sarah Taylor's comments were more wide ranging, she said,

"If you have to have registered childminders then I don't think it will encourage very many more people to work because they will still be too expensive. Most people would prefer to pay a friend to do it. And why is it just for those on Family Credit, what about those who work and are on Income Support ? It's ridiculous you can only earn £15 on Income Support and it's definitely not worth it if you have to pay a childminder. They should definitely increase it to about £40, that's how they'd encourage more single parents to work".

Should lone parents work?

As well as being asked about the potential incentives and disincentives for lone parents to work, the sample were also asked whether they thought lone parents should work once their children were a certain age. Just over half the sample believed lone parents should be made to work once their children reached a certain age but they differed in their opinion as to what age the children should be. Some felt that lone parents ought to work once their children were at school, others felt this might still be problematic. All believed, however, that lone parents should certainly be obliged to work once their children were at secondary school.

A few people went so far as to suggest that there should be regulations within Income Support to make lone parents work, especially those with older children. Natalie Mason was particularly expressive in relation to this point. She said,

"There are a lot of people who are quite happy to sit back and live off the state because there are no rules or regulations. There should be rules to make you work. I don't know how people can be content to accept money from the state, it's degrading. My son's only a baby but I wouldn't dream of accepting Income Support. I know I've got my Mum to look after him but even if she couldn't do it I'd still work. I'd put him in a nursery and work full-time".

Mary Watson also believed there should be regulations within Income Support, but was less critical in what she said,

"Income Support is necessary and should be higher for lone parents with young children but I think there should be an age limit over which you can only claim it if you're genuinely unable to get a job. There's certainly no reason why lone parents can't work at least part-time once their children are at school. I think all parents, not just lone parents should work. The age of the housewife is past and employment even for a few hours gives people a sense of worth even if they don't gain much financially".

Sandra Hill also recommended changes to Income Support, but in the form of raising the income disregard:

"... I think single parents should work. I would think any decent woman would want to work. I hated Income Support and not having any money of my own. It's nice to be independent even if you're only earning £20 of your own. They should have the amount you can earn on Income Support higher, that would help those with younger children. £15 is ridiculous, you should be able to earn more than that".

Apart from Natalie Mason above who made numerous comments throughout the interview which would suggest that she appeared to conform to the idea of claimants as 'scroungers', the other respondents who felt lone parents should work, appeared to believe that this would be for their own good in that work would give them a sense of worth or make them more independent.

Just under half the sample felt that lone parents should not be required to work even when their children were older. Most believed that any decision about whether or not to work should be down to personal choice and that no one should be forced to work. Caroline Adams said, for example

"Mothers shouldn't be made to work, it should be their choice. It's very difficult to work even when your children are at school. There are so many in service days, half days and 12 weeks holiday a year, it's impossible to cover all this. It's also very difficult if you want to be involved at your child's school, you have to be available to watch plays and things."

There were some people who similarly felt that the decision whether or not to work was an individual one but who felt that many lone parents were being forced to work because they were unable to manage on Income Support. Margaret Galloway said for example,

"It should be up to the individual if they want to work, but the majority of single parents do have to go out to work as the benefit system leaves them no option, as you can't survive bringing up a family on the money they provide".

Louise Buckley also believed many lone parents were being forced to work for financial reasons. She presented a rather novel argument about what should be done about this:

"It should be optional but I think many have to work due to the financial side of things. Many women have started working because they can't afford to stay at home, married women as well as single

parents. But I think something should be done to free up the jobs for all the unemployed men. If they increased Income Support for lone parents and made it so you could stay at home with your kids then there would be more jobs for the men".

It is interesting to note that there was a distinction in whether or not the respondents believed lone parents should be required to work according to whether or not they had previously claimed Income Support. Indeed all those who had not claimed felt lone parents ought to be required to work, at least once their children were older. Perhaps because they had never claimed Income Support they were somewhat more hostile to the idea of being wholly dependent upon benefit, in contrast to those who had claimed it in the past who were probably more understanding of the difficulties involved in coming off it.

Advice to other lone parents who want to work

Lastly the respondents were asked what their advice would be to a lone parent who was claiming Income Support but who was considering working. Many of the respondents were quite cautious in the advice they said they would give. While they felt that working and claiming Family Credit was beneficial for them, they felt it might not necessarily be so for other lone parents.

Only twelve of the respondents said they would definitely advise a lone parent on Income Support who was considering looking for work to do so and to claim Family Credit, and these were more likely to be those respondents who had never claimed Income Support. Rachel Stevenson said,

"I'd tell them to go for it because it's definitely worth it, and to claim Family Credit even if you're not much better off. There are so many other benefits which work can give you, that it's always better than being on Income Support".

Having experienced the transition from Income Support to Family Credit themselves, those who had claimed Income Support were more likely to offer more constructive advice. One thing which they were particularly keen to point out was that people should really consider whether it was worth it financially before they went ahead and found a job and claimed Family Credit:

"I'd say to seriously check whether it was worth it or not first, as I should have done". (Frances Hall) and

"To make sure they had everything in order before they start. That they had their rent and everything worked out so that there's not a gap when they've got no money...so just to check everthing to see whether it's worthwhile really, because it's not for everyone" (Janet Grant).

Janet's comment that people should make sure there was not a gap when they had no money refers to the transition period from Income Support to Family Credit which it has been seen was a particularly problematic time for many of the respondents. Some other respondents also said they would advise other lone parents to be aware of the difficulties they would experience at this time. Louise Buckley said, for example

"Not to expect any help from the authorities and to be prepared to have problems at first. It would be useful to have some kind of income, a lump sum to tie you over because even two weeks lying time would be bad enough, a month which was how long I had to wait was terrible".

Those respondents who said they would advise other lone parents to consider whether it was worthwhile financially for them to work were normally those who perceived their own financial position to be quite bad and who felt they were little if at all better off than they had been on Income Support. Similarly those who offered advice about the particular problems experienced during the transition phase were likely to be those respondents who themselves had had particularly bad experiences of this period.

Other people were, however, aware of the fact that other people's situations might be different from their own and offered advice which was not necessarily based upon their own experiences. This was particularly true

of those who said they would offer advice about childcare costs and practicalities. Mary Watson said for example

"That they'd have to make sure that childcare costs weren't going to weigh them down because it's not always worthwhile working if you have high childcare costs. And to be careful that they have something arranged for in the school holidays because you can't work otherwise".

Some people said their advice would vary according to the age of the children because those with young children faced more difficulties. Indeed a couple of people said they would advise a lone parent not to work until her children were at school. Christine Clark suggested a whole range of advice,

"They would have to think about how much they were going to earn and maybe go to the CAB or something to find out what they're going to get to see if it's going to be worthwhile. And depending on the age of the child you have to think about childcare because, if you think about that and how much it's going to cost, then it might not be worth it. I'm lucky because my son's a bit older now. Things are much more complicated if you have young children".

Three of the respondents said they had actually given advice to other lone parents who were on Income Support, about work and Family Credit. One said she had often advised her friends to get a job and claim Family Credit because it was so much better than being on Income Support. The other two said they had advised their friends to claim Family Credit but had told them only to work 16 hours. David Wright said, for example

"I do give them advice. I've told them to claim Family Credit but to look for a job for 16 hours because it's not really worth working more than that."

The other person who advised her friends only to work for 16 hours was Gail Pollock. She now worked 16 hours herself but she had worked longer hours in the past and said she had worn herself out working longer hours when she was as well off working only the minimum 16 hours a week.

On the whole most of the lone parents said they would recommend working but felt that individuals should seriously consider their own particular circumstances before they decided to go ahead and look for employment,

with the age of their children and potential childcare costs being factors they should certainly think about.

Conclusion

This chapter has provided an analysis of the data which was collected relating to the lone parents' opinions of current policy towards lone parents. This part of the study was intended to be exploratory in nature and did not seek to answer specific research questions. It provided, however, much useful data in terms of assessing recent policy developments.

Although many of the respondents felt lone parents should be required to work, nearly three quarters of the sample felt they were not encouraged to do so. They said there was little incentive to work and that little help was available to those who wished to work. Many said they had ended up in employment only as a result of their own efforts and that they had received little encouragement. Childcare difficulties, individual attitudes and behaviour, lack of financial incentives and the difficulties of finding employment were felt to be the main reasons why so many lone parents remained outside of the labour market.

While most of the sample said they were pleased with Family Credit, there was some variation in whether or not they felt it provided a financial incentive to work for lone parents. Some felt it offered no financial incentive to work and that lone parents were better off if they remained outside the labour market. Others said there were many lone parents who simply did not want to work and would not, therefore, respond to any policy designed to encourage them to work. Most felt, however, that Family Credit provided some financial incentive to work but that the incentive was not large enough or that people were unaware that the incentive existed. Most of the lone parents felt that most people were now aware of the existence of Family Credit, but many argued that advertising should concentrate specifically on informing people about how much better off they would be if they were to work. Another suggestion was that lone parents should be

informed that they might still be eligible for Housing Benefit if they came off Income Support since some said they had been reluctant to work themselves because they thought they would have to meet their housing costs in full. Lastly while most of the respondents felt that reducing the hours a person was required to work in order to qualify for Family Credit to 16 a week was of particular encouragement to lone parents who were not always able to work many hours, a few people felt it should have been reduced to 15. They stated that many part-time jobs were now for 15 hours a week and gave examples of many places in Edinburgh where all part-time jobs were for 15 hours. Some of the suggestions of the respondents might offer ways of maximising the advertising potential of Family Credit. Advertising campaigns should concentrate on giving potential claimants as much information as is possible to enable them to make an informed choice about whether or not to work.

More than three quarters of the sample believed that childcare was either inadequate or unaffordable for lone parents. The general consensus was that for school age children childcare was inadequate whereas for preschool children childcare was available but beyond the means of most lone parents. Many of the respondents stated that they had only been able to work themselves because they had access to free childcare in the form of relatives or friends. Many of the respondents felt that the issue of childcare meant it was more difficult for lone parents to work than for other parents because two parent families were able to arrange childcare between them or had more money available if it was necessary to pay for childcare.

The childcare allowance was introduced after this study was begun and might provide some help for lone parents who wish to work but have to pay for childcare. Those respondents who were interviewed a second time were asked about their opinions of the childcare allowance. While most of them felt it was a positive step forward, very few felt it would be of use to them. They also criticised it because it would not cover the full costs of childcare and because it was only available to people who used registered forms of childcare. The large majority in this sample did not use registered forms of childcare. Even when they paid for childcare they were more likely to use informal childcare networks. Also, many of them were already receiving

maximum Family Credit and would not, therefore, have been able to benefit from the Childcare allowance (Scottish Council for Single Parents, 1994). If the lone parents in this sample are in any way typical of all lone parent Family Credit recipients, therefore, the childcare allowance is unlikely to be a great step forward. Lone parents are only likely to be able to enter the labour market in large numbers once all childcare costs are disregarded in calculating Family Credit or if free childcare is available. The fact that so few of the lone parents in this sample paid for childcare is an indication that most of those who do not have access to free childcare are likely to remain outside of the labour market until their children are older.

This chapter has been important in that it has sought to provide further information on some of the areas the research wished to investigate. In particular it has attempted to outline the lone parents' views of recent policies towards lone parents. Some of these policies have only been introduced since the research was begun and it was only possible, therefore, to discuss them in the follow up interviews. As policy towards lone parents continues to develop, there is, therefore, a need for further research to identify the opinions of those who are affected or potentially affected by such policies.

Chapter 11 Conclusion

This chapter will consider the main findings of the research and discuss the implications of these findings in terms of social policy provision. It will also offer suggestions for future research possibilities. In discussing the conclusions of the research I acknowledge that some of the findings may be tentative as a result of the inbuilt biases of the sample, in particular, the fact that the sample included no owner occupiers and two males.

A) Employment decision making

It was stated in Chapter 3 that little was known about the reasons why lone parents work and what factors they take into consideration when they make their employment decisions. For this reason employment decision making was one area the study was designed to investigate. Chapters 5 and 6 looked at the area of employment decision making and provided answers to the following research questions:

- 1) What employment decisions did the lone parents make?
- 2) What factors do lone parents take into account when making employment decisions?
- 3) To what extent are lone parents' employment decisions based upon financial calculation?

To summarise, the most important conclusions in relation to employment decision making were:

- 1) The extent to which the lone parents in the sample based their employment decisions on financial calculation was limited and employment decisions were usually made after considering a range of factors including social and cultural factors as well as financial ones.
- 2) The lone parents in the sample only normally made employment plans for the near future if they were forced to do so.

Chapter 2 included a critique of the theories of lone parents' employment behaviour and argued that no single theory can account for the employment behaviour of lone parents because their employment decisions and behaviour are the result of a complex interaction between economic, social and cultural factors. While financial factors are obviously likely to be important to some extent, it was expected that the age of children, access to childcare, desire for social stimulation and other factors would also be significant in accounting for the lone parents' employment decisions. These factors were found to be important. Indeed more than a quarter of the respondents said they had wanted to work purely for such reasons and claimed financial factors were not considered at all. Only three people admitted that they wanted to work purely for financial gain.

According to economic analyses of employment behaviour, people decide whether or not to work or how many hours to work after weighing up the economic costs and benefits of a particular option. Like the NAO study, this study found, however, that very few lone parents were able to make the kind of financial calculations that economic analyses stipulate are necessary in order to make a 'rational' decision, due to the complexities of the benefit system (NAO, 1990). Many of them did not know what benefits they would be entitled to, or how much they would receive and so many of them had decided to work or to increase their hours without knowing how much better off they would be.

McLaughlin (1989) and Jordan (1992) also stated that the complexities of the benefit system made it difficult for their samples of low income households to make a 'rational' economic choice regarding their labour supply. Even if lone parents do limit their decisions to the issue of maximising household income, which the McLaughlin and Jordan studies and this study throw doubt upon, incomplete knowledge about the range and interrelationship

of benefits available make it unlikely that decisions can be made. They cannot be sure they will receive benefits or know how long they will have to wait for them so the income risk can be high.

The fact that the lone parents in this sample did not base their employment decisions upon narrow financial calculations is not to say that their decisions were not rational. They may not have been rational according to traditional economic analyses of labour supply behaviour but rationality is not just about economics. Economic analyses of employment behaviour are flawed when applied to lone parents because they need to take more factors than just financial ones into account. For example, a lone parent may calculate that she will be much better off if she rejoins the labour market but she will not choose to work if she believes she should be at home with her child. Similarly, she may have the opportunity to work longer hours which will increase her income substantially, but she will not choose to work longer hours if she believes her children may suffer as a result, even though she will be financially better off. For most lone parents, the needs of children are paramount when making employment decisions. They decide how many hours of work they are able to supply after considering issues such as childcare availability and how many hours a day they feel they should spend with their children. Hence many of the lone parents in this sample said that hours were more important than wage rates when they were looking for a job.

It is significant that only just over a quarter of the sample said that Family Credit had been a factor taken into account when making their employment decisions. The majority said they would have worked had Family Credit not been available. While Family Credit was not directly responsible for the lone parents being in employment of 16 hours or more in most cases, many acknowledged that now they were in work it was a big help. Bryson and Marsh (1996) also claim that claiming Family Credit had rarely been part of a conscious plan amongst the lone parents in the DSS/PSI studies. They argue that there is a tendency among policy makers and social policy analysts to give undue prominence to the role of benefits in families' decisions about working. Although they are important to a minority, the 'benefit pay offs' of taking paid work are by no means the key considerations for most low income families.

In outlining the aims of the research in Chapter 3, it was anticipated that some lone parents might continue to make employment decisions once they were in receipt of Family Credit. For example, it was suggested that some people might be in a particular job or in receipt of Family Credit because it suited their current circumstances but that they might have plans for the future when their children are older. Corden and Craig (1991) found, for example, that many of the lone parents in their study had worked part-time on Income Support, had increased their hours to claim Family Credit and expected to increase their hours further in the future. Family Credit was viewed as one step on the way towards a long term employment goal.

Half of the lone parents were found to have employment plans for the future and many of these did not intend to carry out their plans until their children were older. It became apparent that people did not intend to make changes to their employment in the near future unless they were forced to do so. For example, some of the lone parents were forced to leave the labour market because they were pregnant or because their contracts had expired. Those lone parents who had left their jobs by the time of the follow up interviews had normally done so involuntarily. Bryson and Marsh (1996) also state that in the majority of cases, those who were no longer claiming Family Credit because their job had ended had left their jobs involuntarily.

The follow up interviews highlighted other reasons why the lone parents were forced to consider making employment changes. One reason was debt. It appears that, once debt is no longer manageable lone parents decide to rethink their employment prospects. There were also a small number of lone parents who were being forced to consider employment changes when they knew their Family Credit claim was soon to cease when their youngest child left school. More research would be useful in providing further knowledge about what happens to Family Credit claimants once their claim is exhausted. Does their financial position improve once they no longer have dependent children or deteriorate?

B) The transition to Family Credit

It was stated in Chapter 3 that previous research had indicated that the initial transition to Family Credit can be problematic for lone parents. Problems occur as a result of the time lag between starting work and receiving wages and benefits. People have little income to live off for several weeks and may be forced to borrow money and get into debt. (Corden and Craig, 1991). Corden and Craig found that some people got into long term debt as a result of the transition to Family Credit as they were unable to catch up on rent arrears and other payments. As such the transition to work was one area this study wished to investigate and Chapter 7 provided an account of the lone parents' experiences of the transition to Family Credit and provided answers to the following research questions:

- 1) What difficulties do lone parents encounter on moving onto Family Credit?
- 2) How are lone parents able to cope with the difficulties of the transition period?

The main conclusions relating to the transition to Family Credit were:

- 1) Most of the sample experienced financial difficulties when moving onto Family Credit, and borrowing and debt were common at this time
- 2) Only a minority of the sample experienced long term debt as a result of the transition period.

Although most of the lone parents in the study said they experienced some difficulties on moving onto Family Credit, most were able to repay loans and arrears which had accumulated once they received wages and backdated benefit payments. Those who experienced more long term debt had usually already been in debt when they moved onto Family Credit and although the transition to Family Credit often exacerbated their financial difficulties, the origins of their problems usually predated the move to Family Credit.

It was seen in Chapter 7 that the difficulties of the transition period may have eased somewhat since the fieldwork for this study was carried out. Since the introduction of fast track Family Credit, applications should now be dealt with more efficiently. A form of one off transitional help is also now available to people moving from Income Support to Family Credit who are able to continue to claim full Housing Benefit for four weeks (Finlayson and Marsh, 1997; Evans, 1996). Considering the majority of reported benefit difficulties in this study were problems concerning Housing Benefit, this could be a significant improvement, and future research needs to consider how effective this is in easing the transition to Family Credit. Evans (1996) argues that the passporting of Housing Benefit for the first six month award of Family Credit would be an even more welcome policy change. It would allow claimants to see real increases in income on moving into work as well as ease the problems of the transition period. He claims that it could be financed in part from reductions in administration costs.

Alternatively, many Family Credit claimants could be spared a difficult time of financial anxiety if they were able to continue claiming Income Support until their Family Credit was assessed. The three lone parents in this study who had transferred from Income Support to Family Credit in April 1992, claimed they had not experienced problems because they had been able to continue claiming Income Support. Even if there was no way of recouping any extra benefit which was paid, the findings of McLaughlin who states that many people are actually staying on Income Support because of the problems of coping through the transition period, would indicate that it is unlikely money would be lost since more people would actually be encouraged to move off in the first place (McLaughlin, 1989). Alternatively a return to work grant or even loan as proposed, for example, by the Commission on Social Justice, might also be useful in eliminating many of the problems experienced when moving onto Family Credit (The Commission on Social Justice, 1994)

C) Perceptions of employment and Family Credit

It was argued in Chapter 3, that further research was required in order that we might gain more insight into lone parents' perceptions of employment, childcare, Family Credit etc, to enable us to find out more about ways in which they are able to reconcile the opposing demands of employment and care of children.

Chapters 8, 9 and 10 investigated perceptions of employment and Family Credit and attempted to provide answers to the following research questions:

- 1) What are the lone parents' perceptions of their financial position?
- 2) Do lone parents view employment with Family Credit as a means towards securing eventual financial independence?
- 3) What do lone parents perceive to be the main costs and benefits of working?

To summarise, some of the most important conclusions relating to perceptions of employment and Family Credit were as follows:

- 1) The benefits of work were felt to be considerable and normally far outweighed any costs which were identified
- 2) Childcare difficulties were common when children were ill but did not present a problem on a day to day level.
- 3) Opinions of Family Credit were generally favourable, but many people felt it was not sufficient to encourage many lone parents to work
- 4) Debt was the most important factor in accounting for the lone parents' different perceptions of their financial position
- 5) Reliance on income related benefits was normally viewed as long term rather than temporary

It was suggested in Chapter 3 that we had little knowledge regarding the benefits lone parents derive from employment. Frey found that the lone

parents in her study derived considerable benefits from employment but they were also keen to stress that the costs of working were considerable (Frey, 1986). Because lone parents are likely to find it more difficult than women with partners to combine employment and childcare it was expected that the lone parents in this study would also be likely to identify significant costs of employment.

It was found that the lone parents in this study derived considerable benefits from employment. They said that employment increased their self confidence, gave them a role outside of the home, enabled them to meet people, and gave them independence. There was a high level of commitment to work amongst the sample.

Surprisingly, the respondents were far less likely to identify any costs of working. Less than a quarter of them identified childcare costs as a cost of working. The absence of reported childcare problems was surprising. The lone parents in this study were a group, however, who had succeeded in moving into employment and so they reported few childcare problems. Those lone parents who fail to move into employment, for example, many of those in receipt of Income Support are likely to have problems with childcare and this is likely to be one of the main reasons they are unable to work. For example, many of the non employed lone parents in the Bradshaw and Millar survey said that lack of affordable childcare was a significant barrier to their participating in the labour market (Bradshaw and Millar, 1989).

McKay and Marsh (1994) also found evidence of a picture of relative stability and good childcare management amongst the lone parents in employment in their study. They stated, however, that this may not provide the whole picture. While these are the arrangements reported by a quarter of lone parents who manage to work, they argue that those who return to Income Support after a spell in work may do so because they can no longer afford childcare or because arrangements have broken down.

The fact that so few of the lone parents in this sample paid for childcare is an indication that most of those who do not have access to free childcare are likely to remain outside of the labour market until their children are

older. Relatively few women can afford to take a job if they have to pay for childcare. Lone parents tend to rely on unpaid childcare from parents or other relatives. Only a quarter of lone parents pay for childcare. Family Credit works best for lone parents who are free to work and most are not free until their children are older. It functions best as an incentive to work for families with comparatively cheap forms of childcare. More than half of lone parents work only school hours or their children are old enough to look after themselves. Many of the lone parents in this sample worked only school hours. Childcare does not just prohibit lone parents from entering work, it also sets limits on the amount of working hours they can supply. Lone parents claiming Family Credit work an average of only 25 hours a week, the five hours a day their children are at school (Marsh and McKay, 1994)

While childcare did not tend to cause the lone parents any problems on a day to day basis, many said they experienced problems when their children were ill. Some said they experienced similar problems when their children had occasional days off from school, of which there are a number a year. The only way to alleviate these kinds of problems is for employers to introduce dependency leave policies. It is highly unlikely, however, that this will happen because many of the companies the respondents worked for were small or they were working on temporary contracts. Some of the employers like large shops, however, could introduce better provision for working parents and it was most often people who worked for large shops who said their employers were the least understanding about childcare problems.

The Childcare Allowance has been introduced since this study was begun and while it cannot help lone parents when their children are ill, it might provide some help for lone parents who wish to work but have to pay for childcare. Those respondents who were interviewed a second time were asked about their opinions of the childcare allowance. While most of them felt it was a positive step forward, very few felt it would be of use to them. They also criticised it because it would not cover the full costs of childcare and because it was only available to people who used registered forms of childcare. The large majority in this sample did not use registered forms of childcare. Even when they paid for childcare they were more likely to use

informal childcare networks. Also, many of them were already receiving maximum Family Credit and would not, therefore, have been able to benefit from the Childcare allowance (Scottish Council for Single Parents, 1994). The fact that those lone parents who are receiving maximum Family Credit will not benefit from the Childcare Allowance is a significant failing of the scheme, particularly as there has been an increase in the number and proportion of Family Credit claimants receiving maximum Family Credit. 21.3% of lone parents received maximum Family Credit in 1991. This figure had increased to 37.2% in 1994 (Evans, 1996).

There is a need to look at the implications of the childcare allowance in more detail. It was not introduced until after I had concluded the main interviews for this study and although the respondents were asked what they thought about it in the follow up interviews, most had not actually heard about it. It would be useful, therefore, to find out what use is being made of the childcare allowance by lone parents on Family Credit and what their opinions of it are.

Finlayson and Marsh (1997), attempted to calculate how many of the 317 000 lone parents on Family Credit in 1997 would benefit from the Childcare Allowance. The 1994 DSS/PSI survey indicated that 58% of lone parents on Family Credit use some kind of childcare and 38% pay for it. Only 9% pay for the kind of professional care which qualifies for the allowance, however. Nine per cent of 317 000 is 28 000 and Finlayson and Marsh state that the last reported total of lone parents claiming disregards for the costs of childcare was in fact 28 000. The Childcare Allowance does not appear to be helping many of the lone parents on Family Credit, therefore. Lone parents are only likely to be able to enter the labour market in large numbers once all childcare costs are disregarded in calculating Family Credit or if free childcare is available. Evans (1996) argues that free childcare provision on demand for Family Credit claimants would be far better than means tested discounts on childcare costs.

The lone parents in this study were keen to praise Family Credit. Although the majority of them had not rejoined the labour market or increased their hours of work with the intention of claiming it, most of them acknowledged that now they were in employment, Family Credit was a big help. Most of

them felt that the reduction in hours from 24 to 16 was particularly useful in encouraging lone parents to work.

Since I began this study there has been a large increase in the number of lone parent Family Credit claimants. Between 1989 and 1994 there has been an 83% growth in the number of Family Credit claimants from 285 000 to 521 000. Lone parent claimants have grown at a faster rate, 111% compared to 66% for couples (Evans, 1996). Family Credit lone parent cases in Scotland have increased from 25 100 in 1992 to 38 280 in 1995 (Save the Children, 1996). A significant part of this growth can be accounted for by the 1992 policy change. In 1994 38% of all employee Family Credit claimants were working 16-24 hours. Lone parents have now taken over from male earners in couples as the largest single family group on Family Credit. In 1989 they represented 36.5% of claimants, by 1994 42% (Evans, 1996).

Family Credit has become very important to lone parents, therefore. The new opportunity to work 16 to 23 hours a week has been particularly important to them. Twice as many lone parents were working between 16 and 23 hours a week in 1993 than in 1989 and 1991 and Ford, Marsh and McKay found that Family Credit was particularly valued by those working 16-23 hours (Ford, Marsh and McKay, 1995.)

Although only a small number of this sample were encouraged to work specifically due to the existence of Family Credit, it appears that Family Credit has enabled many more lone parents to work now that the hours for qualifying have been reduced. Family Credit has been successful in its aim of encouraging more lone parents to work, therefore. Family Credit cannot just be judged according to how well it succeeds in getting people into work, however. There is also the intention that people should not remain on it forever. Family Credit is designed to give people a start but their long term destination should be financial independence. The optimistic idea is that Family Credit might act as an up-escalator drawing families off Income Support, into work on low wages and supporting them as they become established in work and look for improvements in their position as their children grow older. Family Credit seems to be reasonably successful in assisting families to regain their financial footing but is less successful in lifting them to a better position,

"...if Family Credit was an up-escalator, it was short, slow moving and led to Bethnal Green rather than Knightsbridge" (Marsh and McKay, 1993, p187). The findings of this study support the view that Family Credit provides support for lone parents but is far less successful in enabling them to escape from benefit dependency. Of the ten lone parents, more than a third of those who were reinterviewed, who were no longer claiming Family Credit at the follow up interviews, only one had succeeded in becoming independent of benefits whilst remaining a lone parent. Seven people in contrast, were claiming out of work benefits.

This study was a very small one and I was only able to carry out one set of follow up interviews with just 29 of the original respondents. Had I been able to carry out longitudinal research over a longer time I may have found that more of the lone parents were able to achieve independence from benefits. The results of the DSS/PSI studies of recent years would suggest that this would be unlikely, however. Ford, Marsh and McKay (1995) argue that for lone parents, coming off Family Credit is strongly associated with going back on Income Support and higher paid work is rarely an option. Too few ex Family Credit claimants are able to penetrate into the higher earning statistics. Bryson and Marsh (1996) found that of 1002 families leaving Family Credit in September 1993 and interviewed about six months later, a third of couples but half of lone parents fared badly in that they left to unemployment or shorter hours. Two thirds of couples but only a fifth of lone parents fared better in that they raised their earnings by getting a better job or became part of a two earner couple. The fact that lone parents are twice as likely to end up back on Income Support as couples indicates that Family Credit is failing lone parents if we are to measure its success by its claimants not returning to out of work benefits (Marsh and McKay(1993), McKay and Marsh, 1994)

The conclusion of this study that reliance on income related benefits was normally viewed as long term rather than short term is a particularly important one. Corden and Craig (1991) found that the lone parents in their study viewed Family Credit as a vital step towards achieving financial independence as they built up their hours and regained skills and experience. They stated, however, that their study provided little evidence

of the poverty trap and its effect upon people's perceptions of Family Credit. If people are aware of the effects of the poverty trap and recognise that it will be difficult for them to increase their incomes while on Family Credit, then they will be less optimistic regarding their chances of becoming financially independent. This study investigated people's awareness of the poverty trap and examined whether they expected to become independent of benefits in the future. It found that most of the lone parents were aware that it was difficult trying to improve their incomes while on Family Credit and as a result most said they did not expect to become independent of benefits while they had dependent children.

Evans (1996) argues that any evidence of Family Credit acting as an up-escalator is limited due to the impact of the poverty trap. In particular he criticises the high withdrawal rates for Housing Benefit and argues that they hinder much of what Family Credit tries to do in improving work incentives. Achieving financial independence is especially difficult for those claimants working the fewest hours. They have lower earned income and are, therefore, eligible for greater sums of benefit. Evans argues that very low earners have a greater chance of medium to longterm dependency on Family Credit and may have more propensity to give up work and return to Income Support.

The lower the wage rate of Family Credit claimants, the higher the number of hours they will be required to work in order to escape dependency on means tested provision. Appendix 5 showed that many of the lone parents in this sample had very low weekly net wage rates. They would have to increase their working hours substantially in order to achieve financial independence. This is especially important considering a lone parents' ability to work extra hours is limited by having children. Indeed a number of people stated that they could not possibly achieve financial independence until their children were older and they would be free to increase their working hours. The increase in the number of lone parents working shorter numbers of hours a week means that many more lone parents are likely to have lower net wages and will find it more difficult to become independent of benefits. While the 1992 policy change has been successful in encouraging more lone parents to work and claim Family Credit, it is likely to lead to lone parents claiming Family Credit for longer

periods, therefore. There is already evidence that lone parents are staying on Family Credit for longer periods. The lone parents in this study had claimed Family Credit for an average of two years. Bryson (1997) claims that almost half the lone mothers who were on Family Credit in 1991 in the DSS/PSI survey, were still on it in 1995. Scottish data also indicates that lone parents are staying on Family Credit longer. In 1992/3 just 16.2% of lone parents had been on it for over 52 weeks. By 1995, this figure had risen to 59.1% (Save the Children, 1996).

It is possible that the new in work bonus of £10 for those Family Credit claimants working 30 hours or more which is offered as an encouragement for longer working hours may help alleviate some of the problems mentioned above. The £10 bonus is ignored when calculating Housing Benefit and so represents a real net and gross income gain of £10 (Evans, 1996). It would be useful for future research to consider the effects of this bonus payment. It is possible for example, that it may have made lone parents less pessimistic about increasing their level of income through increasing the number of hours they work.

Finlayson and Marsh (1997) claim that while recent policy changes have increased the number of lone parents who are claiming Family Credit, Family Credit still does not get enough lone parents into work. Other countries still have far higher rates of labour market participation than the third of British lone parents who are now in work. The new Labour Government's New Deal for Lone Parents aims to encourage many more lone parents to support themselves through employment. The New Deal is being piloted and evaluated in eight areas of the country and will be available nationally to new claimants from April. It means mothers get support from a personal adviser to help them overcome practical difficulties like sorting out benefits, funding childcare and establishing what sort of job will suit them. The Government is spending £200 million on providing guidance for lone parents seeking work. They have also recognised that if women are to balance work and family life successfully, then they must have access to childcare. They are also spending £300 million on after school clubs and a further £100 million on training young people to become nursery and play staff, therefore (Joan Ruddock 'Labour of Love', *Guardian*, Mon Dec 8 1997).

While these policies are undoubtedly a step forward, other new policies are less so. For example, the abolition of one parent benefit goes against a policy of improving the incomes of those in work. The abolition of lone parent premiums on Income Support for new claimants, may even prevent people getting jobs because they would lose this if they had to return to Income Support.

It looks increasingly likely that Family Credit will be replaced by working family tax credits (WFTC) in the next budget. This would turn a benefit into a tax cut. So far, however, the Government have not explained in any detail how the half of all Family Credit recipients who do not pay Income Tax, will be brought into the tax system if this policy change is introduced (Meadows 1997).

It is also possible that Labour's plans for a minimum wage policy may be announced at the next budget. Using the figures suggested by the Commission on Social Justice, I calculated that a minimum wage would not be sufficient to enable any of my sample members to become independent of means tested benefits. This was mainly due to the fact that most of them worked part-time hours. Although a minimum wage policy would be unlikely to increase the total weekly incomes of many lone parent Family Credit recipients, it might, however, lead to more optimism regarding chances of becoming independent of benefit since a higher proportion of total income would be accounted for by wages. Any policy which aims to do something about the appalling low wages paid to many part-time workers would in any case certainly be welcomed.

The policy initiatives of the Labour Government are mostly aimed at getting lone parents off Income Support, but new policies are needed to carry on where Family Credit leaves off if financial independence is the ultimate aim. Evans (1996) argues that the route out of dependency is not just based on in work benefit incentives, but also on better experience or qualifications. Family Credit only reduces dependency if work leads to opportunities. If there is little room for training or advancement then its success is debateable. He suggests that those who have claimed Family

Credit for long periods should be given the opportunity to transfer into education or training with no loss of income entailed,

"This would enable escape from dependence on a real 'up-escalator' rather than continued quasi-dependence on low pay and FC or a return to IS.... Without better earnings, or better opportunities to train, gain experience and command greater earning power, many FC claimants are stuck in work, on benefits in a quasi-dependent state". (Evan, 1996, p 54)

Bryson (1997) also argues that greater opportunities for education and training offer the best prospects for lone mothers to increase their earnings. He suggests that policies might involve inducements to employers to improve training and childcare facilities plus statutory entitlements to training leave, allowing lone mothers to take up training opportunities. A large number of the lone parents in this study said during the course of their interview that they would like to go to college. Most of them did not have any serious plans to do so, however, because returning to education usually entails giving up employment and returning to Income Support which they did not wish to do.

This study has been useful in providing data to answer the research questions it set out to. This chapter has considered some of the most important conclusions to be drawn from the study and has attempted to provide certain policy suggestions as a result of these conclusions. The final comment I wish to make is that while the study looked exclusively at lone parent Family Credit recipients, most of the policy changes which might alleviate the problems experienced by this group would also benefit others. Benefit changes for example those suggested as a way of alleviating the pressures of the transition period, would benefit all Family Credit claimants not just lone parents. Similarly, changes centring around employment practice, like dependency leave policies and childcare policies, would be of benefit to all working parents. Discussion has tended to centre around the need for welfare to work policies to encourage lone parents to support themselves through employment. As a result most policy change in this area in recent years has involved manipulating the social security system so that it provides greater incentives to seek employment. This research has shown, however, that lone parents rarely decide to work

purely on the basis of financial considerations alone. Even if financial incentives are available, it is likely that many will still be unable to work if for example, they have no one to look after their children. Although benefit changes are necessary, it would seem that social security changes alone will be insufficient to enable more than a minority of lone parents to work. Employment and childcare policies aimed at assisting all working parents also need to be considered if Britain is to achieve the kinds of labour participation rates of lone parents in many other countries.

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Appendix 1 Letter sent by Housing Benefit Section to Potential Sample

Housing Benefit Section

7062

February 1993

(FAMILY). CE/LC/HB/ Ref. no

Name

Address

Dear

I am writing to ask for your help. The Housing Benefit Section is giving assistance to Sharon Vincent, who is a postgraduate research student at the University of Edinburgh. She is carrying out research aimed at investigating the employment experiences and decisions of lone parents who are receiving Family Credit and wishes to interview lone parents in Edinburgh who are receiving this benefit.

You are one of a number of people selected from our computer records of those receiving Family Credit. We would like to pass your name and address to Sharon Vincent so that she can contact you regarding the possibility of your taking part in the study and if you are agreeable that she can arrange a suitable time for an interview to take place. I can reassure you that all the information she collects will be treated in confidence and will only be used for the purpose of research. Any report which she produces will not identify you or your comments personally. Your claim for Housing Benefit will not be affected whether or not you decide to take part.

If I do not hear from you within two weeks from the date of this letter I will assume that you are in agreement with Sharon Vincent contacting you, and she will get in touch with you in the near future.

Thank you for your assistance in this inquiry.

Yours Sincerely

Christine Emmett

Housing Benefit Development Officer

Appendix 2 The Interview Schedule

Respondent number:

Female/male:

Date and time of interview:

First of all I would like to thank you for agreeing to be interviewed about your employment experiences as a lone parent. I can assure you that everything you say to me will be treated confidentially. I would also like to ask you if you have any objections to me tape recording the interview as it would take me too long to write down everything that you say.

SECTION A/ BACKGROUND INFORMATION

Firstly I would just like to ask you a few general questions about yourself

- 1) How long have you lived at this address?
- 2) Do you rent from the Local Authority, a Housing Association or a private landlord?
- 3) How many children do you have?
- 4) How many dependent children do you have?
- 5) What are the ages of your children?
- 6) How old are you?
- 7) Are you single, separated or divorced?
- 8) How long have you been a single parent?

9) Have you claimed Income Support/Supplementary Benefit at all since becoming a lone parent? (if yes, find out when claimed IS and for how long and check for more than one period of IS receipt)

10) How long have you been claiming FC?

EMPLOYMENT

11) Where do you work at the moment? (check whether job is permanent or a temporary contract)

12) How long have you worked there?

13) Is this the first job for which you have claimed FC? (if no explore)

14) How many hours do you work a week?

15) What are your hours?

16) Are your hours always the same or do they vary from week to week?

17) Do you ever do any overtime? (If yes find out how often)

18) Are you happy with the hours that you work? (If no, what hours would you prefer to work?)

19) Would it be possible for you to increase or decrease your hours if you wished to?

20) Are you a member of a trade union?

21) Do you receive holiday pay and sick pay?

22) Do you have to arrange for anyone to look after your children while you're working ? (If yes, who? - childminder, relative, friend, nursery after school care, etc; if no, why? eg child old enough to stay on own)

23) How much does this cost you each week?

24) Do any of your family or friends ever look after your children for you?

QUALIFICATIONS, TRAINING AND EMPLOYMENT HISTORY

25) Now can I just go back to when you were at school, at what age did you leave school?

26) Did you sit any exams?

27) What qualifications did you obtain?

28) Have you obtained any qualifications, taken any courses or done any training since leaving school? (which?)

29) Could you tell me about all the jobs you've had since leaving school up until now?

(Find out as much detail as possible, ask about employment before and after having children and find out how many years if any the respondent spent out of the labour market. Ask whether different jobs were full or part time, and check whether worked part time work while on IS or while with ex partner. Find out whether working when became a lone parent, and for how many hours, for those who have been on IS check whether reentered labour market, changed jobs or increased hours to move off)

SECTION B/ EMPLOYMENT DECISION MAKING

REASONS FOR WORKING

I'd now like to ask you a few questions about why you decided to work

30) Many mothers, especially lone parents don't have a job or go to work, what made you decide to work? (probe where necessary)

31) Do you think you would have gone back to work sooner if childcare had been available? (Ask to those who spent time out of the labour market)

I would now like to ask you some questions relating to the time when you were receiving IS (only for those who have claimed IS, for those who haven't go to question 41)

32) When you decided to return to work/increase the hours that you worked/change jobs (depending on individual circumstances) did you expect to move off IS by doing so? (probe, was your intention to move off IS?)

33) Some single parents have said that one of the reasons why they wanted to work was because they disliked being 'dependent' upon IS and wanted to move off it, did you feel this way?

34) Did you feel that the longer you were on IS the harder it was becoming to move off?

35) Did you ever think that it might have been easier for you to stay on IS? (If yes, why?)

36) Did you ever think that it might not actually be worth your while to come off IS (If yes, for what reasons?)

37) Did you seek any advice from anywhere when you were thinking about moving off IS/returning to work? (if yes, from where and what advice?)

38) Did you attempt to work out how much better off you would be by getting a job/increasing hours/changing jobs compared to being on IS? (If yes, did you find it difficult to work this out?)

39) Did you have any worries about moving off IS? (if yes, what?)

40) Did you ever think that coming off IS might actually be quite risky financially? (if yes, why?)

41) When you decided to return to work/move off IS/change jobs (depending on circumstances), what kind of work did you hope to be able to get?

42) Was there a minimum amount of wages you would have considered working for? - (if yes, explore, what was the minimum, why did you wish to earn this much?)

43) Ask a) if previously claimed IS, b) if not

a) When you were looking for work/for a new job/considering increasing your hours, did you think that you would probably have to claim FC to top up your wages?

b) Did you claim FC as soon as you became a lone parent? How did you find out you might be entitled to FC? (check whether sought advice or not)

JOB SEARCH

44) Once you had decided to look for work, how did you go about finding a job? (probe, did you go to the job centre, look in job section of newspapers, find out whether actually looked for a job or not)

45) How helpful did you find these sources? (ask if used any form of job search)

46) How long did it take you to find a job ? (only ask if were actually looking for work)

47) Did you apply for any jobs other than the one you got? (if yes, probe find out whether attended any interviews)

48) Did you turn down any job offers ? (if yes, why?)

49) How did you get your present job?

50) Did you attend an interview in order to get your present job?

SECTION C/ THE TRANSITION TO WORK

I now want to ask you some questions about the time when you first went back to work/got a new job/increased your hours

51) Once you'd found a job(or got a new job) what did you do about finding someone to look after your child(ren) (for those who came off IS by increasing hours did this entail having to find someone to look after your children?)

52) Did you have any trouble finding someone to look after him/her/them?

53) What do you think about the provision of childcare generally?

54) What do you think are the most difficult aspects of returning to work after a period of unemployment especially for lone parents?

55) Did you experience any of these kinds of difficulties when you first went back to work? (if yes, which? only those who has spent time out of the labour market)

56) Did you experience any other difficulties?

FAMILY CREDIT

I'd now like to ask you some questions about your claim for FC

57) How did you first find out about FC?

58) When did you first apply for it?

59) Were you confident that you'd get it? (Why?)

60) When it came through, was the amount what you'd been expecting?

61) Had you tried to calculate how much you would get beforehand? (if yes, how difficult did you find this, were you able to work this out?)

62) From the date you applied how long did it take before you received your first Family Credit payment?

63) Were you satisfied with the amount of time it took?

64) How easy would you say it was to apply for Family Credit?

65) What about Housing Benefit - how long did that take to sort out?

66) Were you satisfied with the amount of time it took?

67) How easy would you say that was to apply for?

68) How much of your rent do you have to pay yourself and how much do you receive from HB?

69) Did you know beforehand that you would have to pay this much of your rent if you were working and receiving FC?

70) Once you had applied for FC, did you have any problems managing financially while you had to wait for your first FC payment to arrive?

71) Had you expected to experience any of these sorts of financial problems (if no, for those who had moved from IS, would you have been less likely to have wanted to come off IS if you had known beforehand?)

72) Did you have any debts or owe anybody any money at the time you moved off IS/started to claim FC ? (If yes, what debts - social fund, fuel arrears, bank loans, etc. Also find out if the respondents had to rearrange debt repayments once they were receiving FC)

SECTION C/ INFORMATION RELATING TO CURRENT SITUATION

FINANCIAL SITUATION

I would now like to ask you a few questions about your income and weekly or monthly outgoings

73) Do you pay National Insurance Contributions?

74) Do you pay Income Tax?

75) Do you receive your wages weekly or monthly?

76) How much do you earn per week/month after stoppages?

77) What is your hourly rate of pay ?

78) Do you receive FC weekly through an order book or monthly through a bank/building society account?

79) How much FC do you receive?

80) Do you receive Child Benefit weekly or monthly?

81) Do you receive one parent benefit?

82) Do you receive any maintenance? (if yes, how much and have you always received maintenance since becoming a lone parent, if no, have you ever received maintenance in the past?)

83) Apart from the sources I've just mentioned, do you receive any other regular weekly income? (if yes, where from and how much?)

84) You've told me that you pay..... of your rent per week (or month), andin child care (confirm amounts), do you have any other work expenses such as travel expenses? (if yes, how much?)

85) Are you registered for Community Charge/council tax purposes?

86) Do you pay community charge/council tax? (if yes, how much do you pay?)

87) Do you receive community charge/ council tax benefit?

88) How easy was and how long did this take to apply for?

89) Do you think you are better off financially on FC than if you were on Income Support/ still on IS ? (if no, ask why think are no better off)

90) Roughly, how much better/worse off would you say you are compared to being on Income Support?

91) Is this about what you expected, or did you expect to be better off than this?

92) Do you ever manage to save any money? (if yes, how much and for what purposes?)

93) Do you have any debts at the moment? (If yes ask what for and attempt to find out how much money is owed)

94) Do you ever borrow money off of family or friends?

95) Would you say that you are in a secure financial position at the moment? (If yes how long have you felt this to be true? If no, When do you think you will reach a secure financial position?)

96) Would you describe yourself as: Comfortably off, managing alright, not very well off or hard up?

CHILDCARE

97) Are you happy with your childcare arrangements? (for those who have to make arrangements for childcare)

98) Have you had to change them at all since you have been working (if yes, why?)

99) What do you do during school holidays, Friday (or Wednesday) afternoons, and other days when your children are not at school? (if applicable)

100) What do you do if your child(ren) aren't well?

101) Have you ever had to take time off when your children have been ill?

102) Can you get time off work to look after your children if necessary?

103) Do you/would you get paid for any time you take off for the children? (If no, are you able to make up the time ?)

104) How understanding would you say your employer is in such instances?

SECTION D/ PERCEPTIONS OF FAMILY CREDIT AND EMPLOYMENT

FAMILY CREDIT

105) What do you think of Family Credit?

106) Do you think it encourages lone parents to work?

107) Would you say that FC has really played any part in your own employment decisions? (If yes - in what way?)

108) Do you know what the minimum amount of hours are that you have to work in order to qualify for FC?

109) The hours were reduced from 24 to 16 in April 1992, do you think that this reduction was a good thing? (why?)

110) Did this change affect you in any way?

111) Would you like to reduce your hours if this was possible?

112) Do you know how much maintenance you can receive before it is taken into account for assessing FC?

113) Would you like to receive maintenance? (For those who don't)

EMPLOYMENT PERCEPTIONS

I now want to ask you about your general opinions of working

114) What would you say are the benefits of working? (Prompt - can you think of any other benefits?)

115) Are there any things which you can do now which you weren't able to do when you were on IS? (Only to those who have claimed IS)

116) What would you say are the costs or disadvantages of working? (Prompt - are there any other costs or disadvantages that you can think of?)

117) On the whole would you say that the benefits outweigh the disadvantages?

118) Some people who work and receive FC describe their situation as being caught in a sort of trap. They say they are unable to increase their earnings very much because if they get a pay rise or work more hours they have to pay more tax and also lose part of their HB and Community Charge/Council Tax Benefit. Their FC might also be reduced when they next claim. So they end up being not much better off. What do you think about such arguments? (Probe, do you feel you have ever been affected by this personally?)

119) Do you think there will come a time when you are able to earn enough to come off of FC and HB?

120) Do you think lone parents experience difficulties if they want to work? (If yes, what sorts of difficulties? Prompt - can you think of any other difficulties which they might experience?)

121) Do you think it is more difficult for lone parents to work than it is for other women with children?

122) Do you think that mothers ought to stay at home with their children and not work until they are a certain age? (if yes what age and why do you feel this?)

123) Do you think that lone parents ought to work once their children are a certain age? (if so what age and why?)

124) Why do you think a lot of lone parents don't work even when their children are older?

125) Have things got better or worse for you since you have been working?(If better, in what ways? If worse,why?)

126) Have you ever contemplated giving up work?

127) Would you ever contemplate giving up work ?

128) What if IS was increased so that lone parents were guaranteed a reasonable income if they did not work, would you consider giving up work then?

129) Do you enjoy your job? (If yes - what do you like about it? If no - what do you dislike about it?)

130) Would you like to change your job?

131) Are you looking for another job at the moment?

132) If you had to look for another job, how easy do you think this would be? (If difficult - Why?)

133) If you were looking for another job, what things would attract you to another job?

134) If you had to give advice to another single parent who was on IS and considering looking for a job what would you tell them?

135) If you were in the same situation again - on IS, etc, would you make the same decisions as you made before?

PLANS FOR THE FUTURE

136) Do you expect /plan to leave your present job within the next year? (If yes - why and do you plan/expect to get another job or will you stop working altogether?)

137) Do you have any plans regarding employment for the future? (Probe: reduce or increase hours, change jobs, come off Family Credit, stop work, etc.)

138) How much longer do you think you're likely to claim FC for?

139) What do you think you'll be doing in the next few years?

140)What would you like to be doing in the next few years if you had the choice?

I would just like to go over one or two points to make sure that I've understood everything you've said correctly. (Go over previous questions and answers if necessary and recap dates and times which need clarifying)

Is there anything else which you would like to talk about which you feel we haven't covered yet or that we haven't covered in sufficient depth?

Thankyou very much for allowing me to carry out this interview. I am hoping to carry out follow up interviews with the people I've interviewed next year, to check whether their circumstances have changed at all and wonder whether you would allow me to contact you again in the future.

Appendix 3 Reinterviews - Topics for Discussion

Follow up interview no.

Date and time of interview:

EMPLOYMENT - Still in employment Yes/No?

Place of employment (same/change?)

Hours of employment (same/change?)

Employment plans for future Yes/No? (probe - change of plans from first interview etc)

If employment change check :

- job
- place of work
- hours
- When left last job?
- Why left last job?
- When started new job?
- How got new job?

BENEFITS - Still claiming Family Credit Yes/No?

Still claiming Housing benefit Yes/No?

Any other benefits being claimed? e.g Income Support, Council Tax Benefit

INCOME - How much Wages? (Income Tax, National Insurance Contributions?)

How much Family Credit?

How much Housing Benefit?

How much other benefits?

How much maintenance?

EXPENDITURE - How much rent? Work Costs? Council Tax?

FINANCIAL POSITION - Any debts? (probe)

Financial position better/worse/same as at last
interview? (probe)

CHILDCARE ALLOWANCE - Knowledge of, opinions of etc

CHILD SUPPORT AGENCY - Any contact with since last interview? Opinions
of etc

Appendix 5 The proportion of total income accounted for by wages, Family Credit, Child Benefit and One Parent Benefit and maintenance

Respondent number	Net Wages		Family Credit		Child Benefit and One Parent Benefit		Maintenance		No hours worked
	£	%	£	%	£	%	£	%	
1.	75	54	47	34	16	12	0	0	20
2.	58	37	75	48	24	15	0	0	18
3.	140	67	29	14	40	19	0	0	30
4.	93	59	41	26	24	15	0	0	18
5.	85	60	42	29	16	11	0	0	30
6.	63	45	63	44	16	11	0	0	25
7.	88	59	46	31	16	11	0	0	31
8.	66	37	81	45	32	18	0	0	16
9.	61	45	60	44	16	12	0	0	20
10.	69	42	56	34	24	15	15	9	23
11.	51	28	72	40	32	18	25	14	20
12.	76	47	62	38	24	15	0	0	25
13.	85	65	29	22	16	12	0	0	22
14.	37	35	52	50	16	15	0	0	16
15.	56	42	60	46	16	12	0	0	18
16.	84	58	45	31	16	11	0	0	23
17.	55	44	53	43	16	13	0	0	19
18.	120	75	23	15	16	10	0	0	30
19.	74	47	60	38	24	15	0	0	20
20.	45	32	73	51	24	17	0	0	16
21.	117	74	25	16	16	10	0	0	30
22.	111	73	25	16	16	11	0	0	25
23.	60	41	64	43	24	16	0	0	20
24.	32	30	52	48	24	22	0	0	16
25.	75	47	60	38	24	15	0	0	20
26.	81	45	75	42	24	13	0	0	20
27.	100	51	63	32	32	17	0	0	25
28.	133	69	36	19	24	13	0	0	43
29.	111	76	19	13	16	11	0	0	24
30.	67	50	52	39	16	12	0	0	20
31.	56	30	89	48	40	22	0	0	18
32.	91	51	65	36	24	13	0	0	24
33.	65	39	78	47	24	14	0	0	20
34.	40	24	62	37	24	15	40	24	16
35.	62	47	53	41	16	12	0	0	16
36.	68	50	52	38	16	12	0	0	22
37.	140	84	11	6	16	10	0	0	38
38.	63	37	75	44	32	19	0	0	24
39.	77	53	53	36	16	11	0	0	15
40.	151	78	24	14	16	8	0	0	35
Mean	80	51	53	34	22	14	2	1	23
Median	74	47	53	38	16	13	0	0	20

n.b percentages do not always add up to 100 due to rounding and figures for net wages, Family Credit, Child Benefit and maintenance have been rounded